



SM INVESTMENTS

Our **Sustainability** Notes



The SM Sustainability Notes complements the SM Integrated Report, which aims to provide detailed reporting for our stakeholders. Disclosures made are aligned the Integrated Reporting Framework and Global Reporting Initiative disclosure indicators. Moreover, incorporated are other material disclosures for the use of ESG investment assessments.

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UN Sustainability Development Goals (SDGs)	
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Task Force on Climate-Related Financial Disclosures (TCFD)	

WE ARE SM

Our Vision

It is our vision to build an ecosystem of sustainable businesses that are catalysts for responsible development in the communities we serve.

We are committed to partner with our host communities to provide a consistently high standard of service to our customers, look after the welfare of our employees and deliver sustainable returns to our shareholders, at all times, upholding the highest standards of corporate governance and environmental stewardship in all our businesses.

How We Create Shared Value

First, our customers, then, our stakeholders.
By meeting their needs, they embraced our brand

Our Valued Resources

We take a synergistic approach in managing our assets to deliver sustained returns and foster sustainable development

Manufactured Capital

Our Integrated Developments
A unique mix of malls, residences, office buildings and hotels facilitating urbanization

Intellectual Capital

The SM Brand
The SM brand is one of the most popular and trusted brands in the country

Social Capital

Our Connection to Our Customers
We know our customers and we have a deep understanding of their needs and wants

Our Empowered People
We have a diverse group of people that mirror our diverse customers

Our Inclusive Supply Chain Network
Over the years, we have grown alongside our suppliers, forging enduring partnerships

Our Relationship with Our Communities
Wherever we are present, we help uplift the lives of Filipinos in our host communities

Natural Capital

Geothermal Energy and Environmental Assets
We optimize our environmental assets to help in the just transition to low carbon economies

Financial Capital

One of the Largest Market Capitalization in the Country
• Total Equity **Php 772.2bn**

What We Do and How We Do It

We operate as an ecosystem, with our businesses working together to achieve shared goals in serving and meeting the aspirations of Filipinos. We prioritize our customers, practice financial prudence and ensure good governance while keeping an eye on the future.



What's Important to You and What We Delivered

Manufactured Capital - Supporting Urbanization

Our Integrated Developments

- 3** new Malls in the Philippines
- 1** new Hotel
- 1** new Mall in China
- 3** new Residential Projects

Intellectual Capital – Businesses/Innovations that Enhance the SM Brand Experience

The SM Brand

- 798 SM Store Personal Shoppers nationwide
- 5 companies within SM have been recognized with the Best in Customer Service award by the Philippine Daily Inquirer and Statista

Social Capital - Meeting the Ever-Evolving Aspirations of our Customer and Stakeholder

We create socio-economic opportunities that promote inclusive prosperity for all

- SM is the one of the largest job creators with 131,000 jobs offered in 2023
- SM has the largest MSME community supporting over 100,000 to date
- 58% Women in leadership roles

We create positive community impact

- **1,728** scholarship grants in 2023
- **10,564** scholar graduates to date
- **172** schools donated/constructed
- **372** health centers and medical facilities built/renovated

Natural Capital – Managing Environmental Impacts and Finding Practical Solutions

Geothermal Energy and Environmental Assets

- PGPC's Steam Output generated **2,604.4 GWh** in 2023
- **2.65Mn** trees/ seedlings planted
- **24 hectares** of mangroves protected
- **3** marine protected areas
- **23.3 MWp** capacity of solar panels installed in SM Supermalls
- **2** adopted plantations under PGPC's Kupkop Kabundukan program

Financial Capital – Accelerating Inclusive Economic Growth and Partnerships

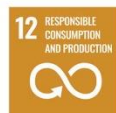
- Assets: **Php 1,586.2bn**
- Net Income: **Php 77.0bn**
- Revenues: **Php 616.3bn**
- Sustainable Energy Finance: **Php 119.8bn**
- BDO Loans to National Projects: **Php 73.0bn**
- BDO Loans to SME: **Php 50.1bn**
- China Bank Microfinancing Loans to MSMEs: **Php 19.2bn**

Some Positive Impact We Create



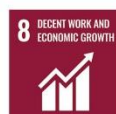
We facilitate responsible urbanization and development

- Through our property arm, SM Prime, we were able to build integrated property developments in Metro Manila and in key provincial cities in the Philippines, contributing to national goals in urbanization



We are pioneering a fully customer-centric Filipino brand incorporating sustainability as brand values

- Our customers can experience the SM Omnichannel



Our Connection to Our Customers

- SMAC loyalty program with **10M members**
- Personalized Customer Service



Our Empowered People

- We established a principles-based Diversity Equity and Inclusion (DEI) Framework in our workplace



Our Inclusive Supply Chain Network

- The leading hub for MSMEs
- Over 12,000 products under SM Green Finds

Our Relationship with Our Communities

- Through our social development programs, we contribute to reducing the gap in accessing social services



We promote natural habitats, environmental stewardship and nature-based solutions

- We contribute to the reforestation and rehabilitation goals of the country and the Department of Energy's targets for renewable energy sources



We generate profits with purpose, contributing to national growth and partnerships

79% dividend pay-out

10 SM companies received Golden Arrow Awards from the ICD

6 SM companies received ACGS regional awards

How We Manage Our Valued Resources

OUR BRAND

Embracing the aspirations of those we serve

Built up for 65 years, our brand has emerged as one of the strongest in the country. Under our brand, we operate as an ecosystem to meet different aspects of the lives of our customers through our retail, property and banking businesses. We are able to help jumpstart economic activities in the communities we serve creating jobs supporting micro, small and medium enterprises build sustainable and resilient lifestyle cities facilitate financing for inclusive prosperity provide opportunities for social equity like quality education, healthcare and access to food sufficiency. Through the years, we have become a partner for Filipino families in achieving their aspirations. As we work to meet the needs of those we serve, they then embraced our brand.

OUR CONNECTION TO OUR CUSTOMERS

Why Connecting with Our Customers is Good Business

As Filipinos flocked back to our malls, they want to engage in new social experiences. People want to have healthier lifestyle, convenience, new entertainment platforms and immersive “phygital” experiences. To our customers, our malls have become not only their place for shopping but have also become their space for personal expression. We provide products and services that cater to their needs in achieving their aspirational lifestyle goals. Through our personal shopper service, we get to know the unique preferences of our customers and deliver it with the SM personal touch.

OUR INCLUSIVE SUPPLY CHAIN NETWORK

A Country of Budding Entrepreneurs

With a whopping 99.95% of businesses in the country are micro, small and medium enterprises, we have become one of the largest homes of MSMEs with more than 100,000 in direct engagement with us. We offer start-up programs providing holistic services - from financing, to mentoring and providing a market - to budding entrepreneurs. To our partners, are their partner, marketplace and community as they navigate through their journey of challenges and triumphs.

OUR INTEGRATED LIFESTYLE DEVELOPMENTS

Sustainability and Resiliency Define Filipino Cities of the Future

We build integrated lifestyle cities to support the rapid urbanization requirement of the Philippines. Anchored on the mall which functions as a community center, we aim to deliver the convenience of a 15-minute city model with SMDC residentials, hotels and convention centers as well as offices all within walking radius. We also incorporate sustainability and resiliency in all our cities - water catchment, clean energy, proper waste management and promoting circular economy - making it the template for what a Filipino city is about.

OUR NATURAL RESOURCES

Materials for Smart Natural Resource Management

We created a group-wide approach in addressing our plastic wastes with the goal to develop plastic-free or plastic-responsible operations. We also sealed a partnership for waste-fuel conversion and are working towards nature-based alternatives to reduce and completely avoid plastic use throughout our businesses.

OUR PEOPLE

Embracing Diversity

“We’ve got it all for you!” has become the popular tagline for SM. Behind this unique value we deliver to our customers is our diverse workforce - mirroring the diversity of those we serve. Since the appointment of Lizanne Uychaco, Group Diversity Officer, we have been working as a group to develop a comprehensive roadmap in achieving diversity, equity and inclusion among our people. We aim to be a workplace where each of our employees can find their own space and sense of belonging.

OUR RELATIONSHIP WITH OUR COMMUNITIES

Growing with our Communities

Wherever SM is present, we work alongside our host communities - understanding their dreams and finding ways on how our activities can support the realization of their dreams. In every community, we get to serve diverse groups - local MSMEs, community members, educators and even civic organizations. Collectively, they define a unified vision for the community - where their children build memories, the working generation create wealth, the marginalized members find hope and opportunities, and the senior citizens find fulfillment. We try to cater to their needs as a natural part of the way we work.

Our Sustainability Management System

The SM group is guided by a Sustainability Policy which to integrate a philosophy of sustainable development into all the organization's activities, manage the company's sustainability related risks and opportunities, and establish and promote responsible corporate socio-economic and environmental practices. This serves as the organizational policy with articulated principles and commitments from which implementing rules and regulations must be developed for the full realization and practice in day-to-day operations, and shall be regularly reviewed and updated as necessary.

OUR SUSTAINABILITY PRINCIPLES

SM Investments Corporation (SMIC) envisions to be a catalyst for responsible development in the communities it serves. To realize this, SM incorporates sustainability as part of SM's business as usual.

1. SM Standards: Adherence to Sustainability Global Standards

We uphold globally accepted sustainability standards, frameworks and practices, take leadership roles in sustainability issues where we create the most positive impact and comply to all applicable national and local laws and regulations

2. SM Sustainability Culture: Sustainability Leadership and Business Strategy

We establish sustainability governance in critical levels of leadership from the Board Level, Group Level and Business Unit Levels, to ensure the integration of sustainability in business agenda, decisions and investment choices

3. SM Stewardship: Environmental and Social Management

We manage all corporate activities that may pose any threat to planetary boundaries, develop programs towards just transition to low carbon economies, promote nature-based solutions to facilitate circular economies; we ensure adherence to human and labor rights, and the promotion of diversity, equity and inclusion; and support sustainable development wherever we are present

4. SM Sustainability Engagement: Stakeholder Communications and Advocacies

We take active leadership and participation in advancing sustainability and promoting sustainable development by creating global and local partnerships, aligning with global sustainability campaigns, engaging our customers, communities and stakeholders through various sustainability programs, and advocating for national policies and programs

5. SM Transparency and Accountability: Integrity in Sustainability Disclosures

At all times, we exercise utmost integrity in sustainability disclosures, providing timely, accurate and balance reporting to our stakeholders.

OUR SUSTAINABILITY MANAGEMENT SYSTEM

Sustainability Policy		
Sustainability Strategy		
Sustainability Management System		
Environment	Social	Sustainability Governance
<ul style="list-style-type: none"> - Climate Change Policy - Resource Management Policy - Environmental Preservation and Conservation Policy 	<ul style="list-style-type: none"> - Human Rights Policy - Anti-Corruption & Anti-Bribery Policy - Anti-Discrimination & Anti-Harassment Policy - Occupational Health and Safety Policy - Sustainable Supply Chain Policy - Stakeholder Engagement Policy - Equal Opportunity Policy 	<ul style="list-style-type: none"> - ESG Risk Management Policy

OUR SUSTAINABILITY LEADERSHIP STRUCTURE



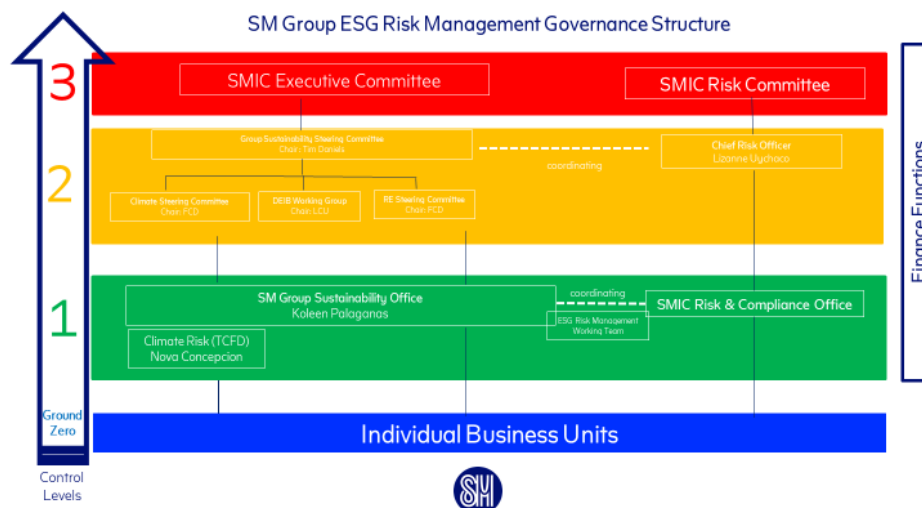
You may download our Sustainability Policy and Management System from our website:

<https://www.sminvestments.com/about/governance/corporate-governance-policies/>

Our ESG Risk Management Framework

We take a dual materiality approach in analyzing our ESG Risks and Opportunities. We established an ESG Risk Management Working Team having the Sustainability, Risk and Finance Teams as members. As a group, we are guided by our SM ESG Risk Management Principles, allowing each business unit to assess their own risks and opportunities. It is then reviewed at the group-wide level to assess risks and opportunities with a group-wide scope.

SM GROUP ESG RISK MANAGEMENT GOVERNANCE STRUCTURE

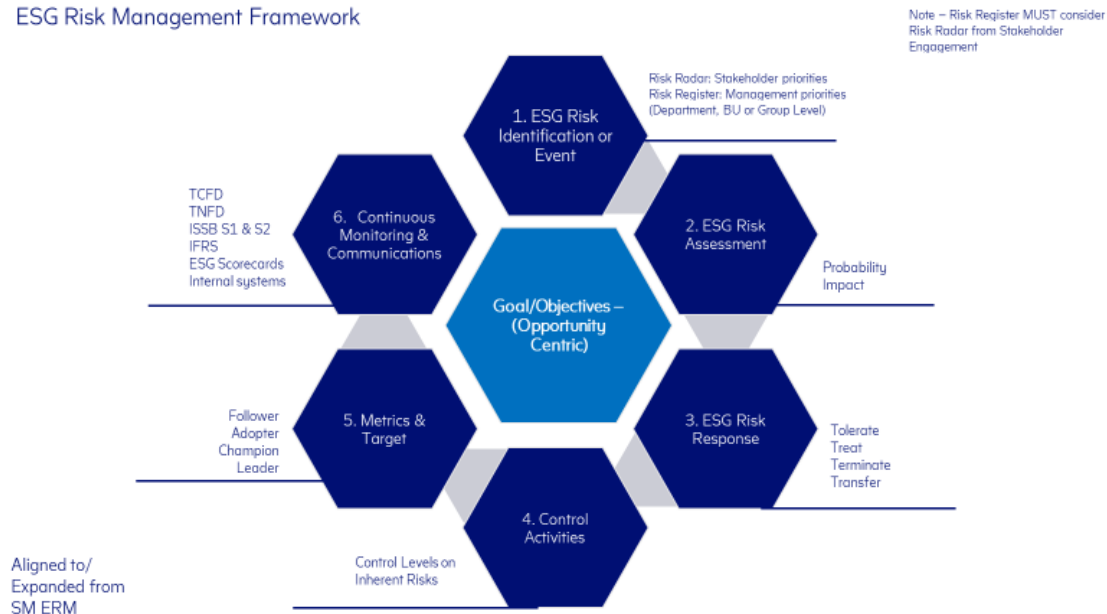


SM GROUP ESG RISK MANAGEMENT GUIDING PRINCIPLES



SM ESG RISK MANAGEMENT FRAMEWORK

ESG Risk Management Framework



SM ESG RISK AND OPPORTUNITIES REGISTER

We developed a rigorous process in identifying the risks and opportunities as we develop roadmaps in achieving our business objectives. Herein is an overview of our thematic register.

ESG Theme	Risks	Opportunities
Climate Change	<ul style="list-style-type: none"> Changing Weather Patters Rising Sea Levels Stronger & Frequent Typhoons 	<ul style="list-style-type: none"> Building Resilient Infrastructures Public -Private Partnership on Innovative technologies Build Stakeholder Resiliency
Transition to Low Carbon Economies	<ul style="list-style-type: none"> Limited Renewable Energy (RE) Sources Skill Shift for our people 	<ul style="list-style-type: none"> Investments in RE Upskilling and Re-skilling of people Retrofitting infrastructure & Incorporation of Low Carbon Lifestyles in new designs
Evolving ESG Global Standards & Regulation	<ul style="list-style-type: none"> Evolving principles for comparability & accurate reporting basis 	<ul style="list-style-type: none"> Private–Public partnership for Nature Based and Innovative Solutions for ESG material issues like waste management, shift to RE and others



Focusing on What Matters

Stakeholder Engagement and Materiality
Our Commitment and Progress

Stakeholder Engagement and Materiality

We Value What Matters to Our Stakeholders

We apply a dual materiality approach to understand what matters to our business and assess our ability to create shared value that our stakeholders could feel. This approach involves assessing both impact materiality and conducting risk assessments.

Who are Our Stakeholders?

Stakeholder Group	Why they matter to us
Our People	Our people provide the strong foundation by which our company achieves our goals and serves our stakeholders. At SM, we value our people and aspire to invite and retain the best people to work with us. With this, we value our people's priorities and how they assess the risks and opportunities we face in this rapidly changing landscape.
Our Customers	In all that we do, our customers come first. We remain agile and resilient because of our ability to understand and anticipate the evolving needs of our customers. As such, we stay very close to them, listening to their aspirations and working to meet their needs and expectations of us.
Our Suppliers and Business Partners	SM is one of the biggest homes of micro, small and medium enterprises. We are able to deliver value and excellent customer service in partnership with our suppliers and business partners. We grow together and strive to be resilient together, able to serve our customers amid the impacts of climate change and market shifts.
Our Communities	Wherever SM is present, our host communities welcome us and help support our growth. It is our shared mission to build our communities as strong socio-economic and sustainable hubs for the nation. Moreover, we help provide a solid foundation for sustainable development by giving access to quality basic services like education, health care and food sufficiency.
Our Investors	Sharing the same values and principles of sustainable investing, we are able to grow and serve more communities with our investors. As such, we are steadfast in sustainable business practices, timely and accurate reporting and in continuous engagement and dialogues to understand better their growing concerns and investment objectives.

How did we engage them?

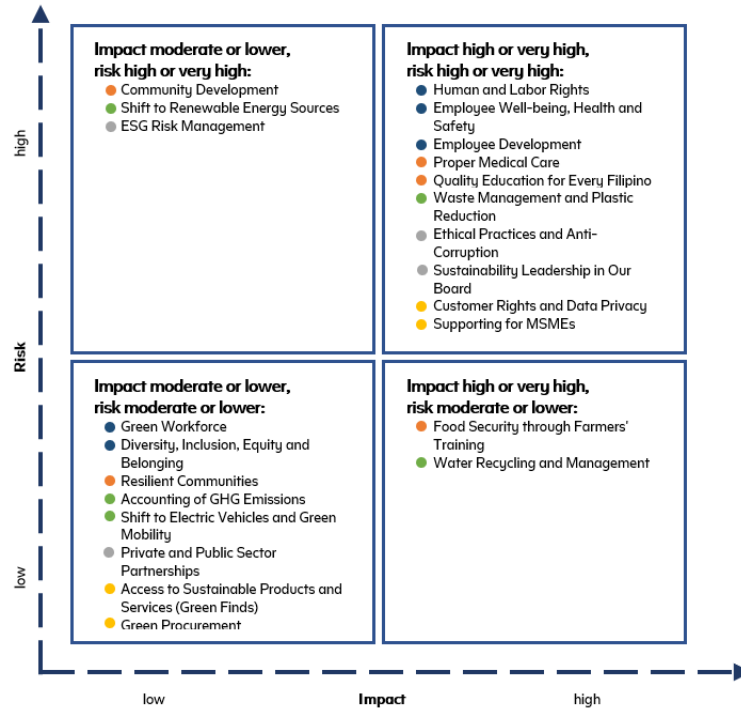
This year, we went beyond seeking the material issues that matter to our stakeholders. We also expanded our engagement to understand what they view to be risks and opportunities we face and which are most material to them.



What did they tell us?

Our stakeholders identified where we create the most impact for them and which topics pose as risk in our ability to serve them.

● Caring for Our People
 ● Thriving with Our Communities
 ● Living in Harmony with Nature
 ● Practicing Good Corporate Governance
 ● Working with Our Partners



Our Commitment and Progress

Our goal is to help communities grow by working together with sustainable businesses. We focus on what's important to our stakeholders and incorporate those priorities into everything we do, from our overall strategy to how we deliver our products and services every day. This reflects the values of the SM brand.

	Our Commitment	Our Progress
Caring for Our People		
Employee Well-being, Health and Safety	We provide work-life balance, and a healthy and safe working environment for our employees, both physically and mentally.	OSHA; Club Activities
Human and Labor Rights	As a signatory of the UNGC, we adhere to all human and labor rights	Human Rights Policy
Employee Development	Train our employees with different skills & provide opportunities for career growth.	Annual Performance Review (99.7% Appraisal Rate) Php159mn spent on Employee Training
Green Workforce	Equip our people to be environmentally responsible as they go about their work, regardless of their role in the company.	SM Sustainability School
Diversity, Inclusion and Equity	As a signatory of the UN WEPs and advocate of an inclusive workplace, we will launch a group-wide approach to DEI	DEI Roadmap
	To be exemplary in women's leadership empowerment in the workplace at all leadership levels	Signatory of UN Women Empowerment Program
Thriving with Our Communities		
Quality Education for Every Filipino	We actively contribute to ensuring the provision of the right to education.	12,292 scholars supported to date
Proper Medical Care	We play a role in providing our community access to quality healthcare.	1.28mn patients served in medical missions to date
Food Security through Farmers' Training	We support families in attaining freedom from hunger and malnutrition.	Farmers' training and skills sharing through <i>Kabalikat sa Kabuhayan</i> (KSK) on Sustainable Agriculture Program.
Resilient Communities	We build SM's business resiliency to serve as a platform for our supply chain network's resiliency	MSME Resiliency Center BCP Systems in 77 SM Malls
Community Development	We build lasting relationships with our communities, offering sustained programs and outreach initiatives that contribute to an enhanced quality of life.	Operation Tulong Express

	Our Commitment	Our Progress
Living in Harmony with Nature Waste Management and Plastic Reduction		
Waste Management and Plastic Reduction	We develop programs that encourage our customers to do their share for communities and the planet	SM Cares people programs which include SM Green Movement
		Trash to Cash
	All SM companies will focus on recycling and reducing waste sent to landfill	SMIC became an investing partner of PARMS
		20% plastic recovery compliance in 2023
	Water Recycling and Management	14.2mn m3 total water recycled
	Shift to Renewable Energy Sources	At least 50% of SMPH Energy Use from RE Sources
Accounting of GHG Emissions	SM is committed to managing, measuring and reducing its GHG emissions.	PHP91bn loans disbursed through BDO SEF Funding and Php28.9bn disbursed by China Bank
Shift to Electric Vehicles and Green Mobility	Whenever possible, SM will promote the use of EV	TCFD signatory
		WWF engagement: Corporates for a Better Planet Initiative
		16 malls have EV chargers
		2GO uses Electric Forklifts
Practicing Good Corporate Governance		
Ethical Practices and Anti-Corruption	We recognize the importance of implementing good corporate governance practices for the long-term success, sustainability, and growth of the company.	Anti-Bribery and Anti-Corruption Policy
Sustainability Leadership in Our Board	Our board maintains its commitment to upholding the principles of good corporate governance.	Sustainability Policy
ESG Risk Management	We systematically identify, assess, mitigate and monitor risks associated with environmental, social, and governance factors in a structured manner.	ESG Integration in Risk Management Framework
Private and Public Sector Partnerships	We provide access to basic services for the communities we serve	PHP 771mn Community Investments in 2023
Working with Our Partners		
	Conduct Surveys on Customer Feedback	SMAC Data Privacy
Supporting for MSMEs	We provide growth opportunities for our MSME partners alongside our banks and malls	Php69.3bn SME/MSME loans by BDO and China Bank
	We build the capacity of our MSME partners to mainstream retailing	SM for MSME program and workshops
		SM Green Finds Opportunities
Green Procurement	We empower our partners and team members to make environmentally-friendly procurement options.	Sustainable Suppliers
Access to Sustainable Products and Services (Green Finds)	SM supports customers in their shift to greener lifestyle choices	12,000 products that qualify as sustainable under Green Finds



Measuring What Matters

Environmental Impact
Social Impact
Economic Impact
Community Impact

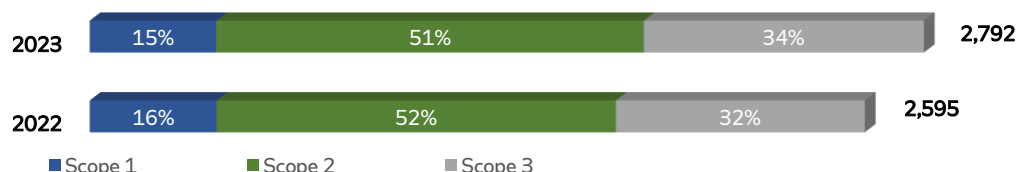
Environmental Impact

Managing our Emissions

As part of our commitment to Climate Action, we track our Carbon Emissions to aid in our evidenced based decision-making process. Following the results of our Carbon Assessments which can lead to Science Based Targets, we established a robust system of carbon tracking and validation within the group. This year, we have expanded our scope but yet to include our Retail Affiliates in the coming years.

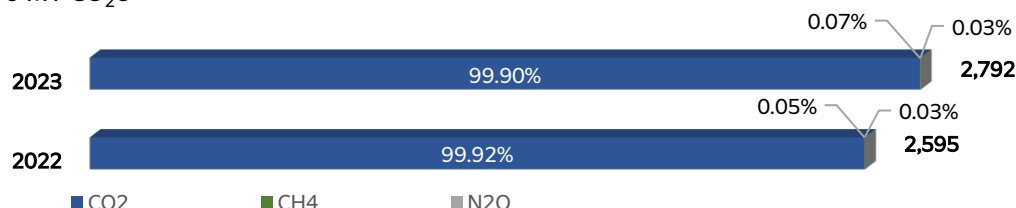
Total GHG Emissions By Scope

in '000 MT CO₂e



Total GHG Emissions By Greenhouse Gas

in '000 MT CO₂e



Total GHG Emissions By Scope

GHG Emissions (in MT CO ₂ e)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
Scope 1	422,418.49	17.7%	424,285.96	16.3%	423,416.42	15.2%
Scope 2	1,358,421.14	56.8%	1,336,421.60	51.5%	1,430,981.16	51.3%
Scope 3	609,762.37	25.5%	834,375.22	32.2%	937,535.25	33.6%
Total GHG Emissions	2,390,602.00		2,595,082.79		2,791,932.82	

Total GHG Emissions By Greenhouse Gas

GHG Emissions (in MT CO ₂ e)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
CO ₂	2,390,253.71	99.99%	2,593,073.26	99.92%	2,789,254.82	99.90%
CH ₄	253.76	0.01%	1,313.46	0.05%	1,837.14	0.07%
N ₂ O	94.52	0.00%	696.07	0.03%	840.86	0.03%
Total GHG Emissions	2,390,602.00		2,595,082.79		2,791,932.82	

Total Scope 3 Emissions By Category

GHG Emissions (in MT CO ₂ e)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
Category 1 (Purchased Goods and Services)	-	-	-	-	4,540.64	0.5%
Category 2 (Capital Goods)	-	-	216,982.17	26.0%	182,410.71	19.5%
Category 5 (Waste Generated in Operations)	-	-	-	-	457.62	<0.1%
Category 8 (Upstream Leased Assets)	12,346.39	2.0%	12,389.46	1.5%	7,482.25	0.8%
Category 13 (Downstream Leased Assets)	597,415.98	98.0%	605,003.59	72.5%	742,644.02	79.2%
Total Scope 3 Emissions	609,762.37		834,375.22		937,535.25	

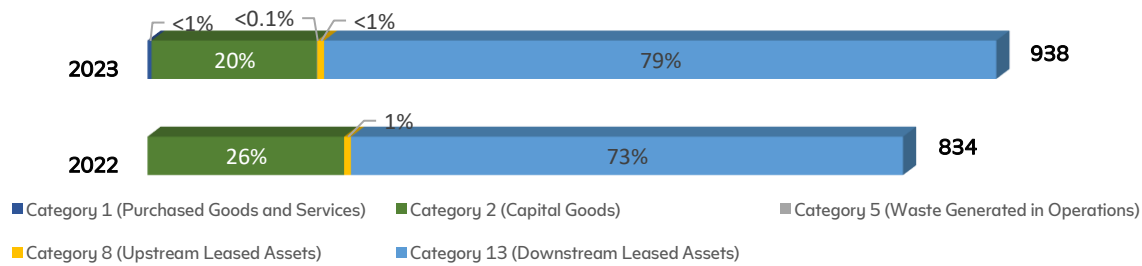
Scope 1 – Emissions arising from the use of fuel and chemicals in facilities fully owned and controlled by the company, including generator sets and transport vehicles

Scope 2 – Emissions arising from the use of purchased electricity in facilities that are fully owned and controlled by the company using the location-based emission factors (25% of Scope 2 emissions are from renewable energy sources)

Scope 3 – Emissions arising from sources that are neither owned nor controlled by the company not included in Scope 1 or Scope 2 such as purchased goods and services, capital goods, waste generated in operations and upstream/downstream leased assets

Calculated following the operational approach of the Greenhouse Gas Protocol. Moreover, emissions were computed using the Emission Factors from Cross Sector Tool and Global Warming Potential Values (AR5) from GHG Protocol, the 2015-2017 National Grid Emission Factors provided by DOE, the 2022 Grid Electricity Emission Factors provided by Carbon Footprint, the IGES List of Grid Emission Factors and EPA's GHG Emission Factors Hub.

Total GHG Emissions By Greenhouse Gas
in '000 MT CO₂e



Total Category 1 (Purchased Goods and Services) Emissions By Business Unit

GHG Emissions (in MT CO ₂ e)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
SMIC Parent	-	-	-	-	4,540.64	100.0%
Total Emissions	-	-	-	-	4,540.64	-

Total Category 2 (Capital Goods) Emissions By Business Unit

GHG Emissions (in MT CO ₂ e)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
SM Prime	-	-	216,982.17	100.0%	182,410.71	100.0%
Total Emissions	-	-	216,982.17	-	182,410.71	-

Total Category 5 (Waste Generated in Operations) Emissions By Business Unit

GHG Emissions (in MT CO ₂ e)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
BDO	-	-	-	-	457.62	100.0%
Total Emissions	-	-	-	-	457.62	-

Total Category 8 (Upstream Leased Assets) Emissions By Business Unit

GHG Emissions (in MT CO ₂ e)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
Atlas Mining	6,472.50	52.4%	6,509.98	52.5%	3,185.06	42.6%
Goldilocks	4,798.83	38.9%	4,800.77	38.7%	2,612.86	34.9%
PGPC	531.24	4.3%	534.08	4.3%	1,130.48	15.1%
PULS/MyTown	384.70	3.1%	384.70	3.1%	384.70	5.1%
China Bank	155.07	1.3%	155.88	1.3%	155.88	2.1%
Belle	0.00	0.0%	0.00	0.0%	9.24	0.1%
BDO	4.05	<0.1%	4.05	<0.1%	2.69	<0.1%
SM Prime	0.00	0.0%	0.00	0.0%	1.33	<0.1%
Total Emissions	12,346.39		12,389.46		7,482.25	

Total Category 13 (Downstream Leased Assets) Emissions By Business Unit

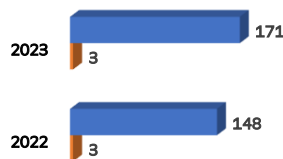
GHG Emissions (in MT CO ₂ e)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
SM Prime	552,598.89	92.5%	552,598.89	91.3%	682,386.83	91.9%
NEO	24,687.76	4.1%	24,687.76	4.1%	25,033.11	3.4%
SM Markets	8,843.49	1.5%	8,843.49	1.5%	9,755.66	1.3%
SMIC Parent	4,388.18	0.7%	8,288.06	1.4%	8,345.73	1.1%
The SM Store	0.00	0.0%	0.00	0.0%	5,971.51	0.8%
Belle	1,559.46	0.3%	4,371.52	0.7%	5,548.93	0.7%
BDO	2,874.45	0.5%	2,874.45	0.5%	2,156.71	0.3%
PULS/MyTown	2,040.68	0.3%	2,040.68	0.3%	2,082.48	0.3%
SM Retail Parent	0.00	0.0%	875.67	0.1%	940.00	0.1%
China Bank	423.06	<0.1%	423.06	<0.1%	423.06	<0.1%
Total Emissions	597,415.98		605,003.59		742,644.02	

Managing Our Energy Use

Critical to the management of our Greenhouse Gas Emissions is our ability to manage the use of our energy sources. As part of our mitigation efforts, the SM group has established an Energy Management Committee led by the President of SM Investments Corporation, with the SM Group Sustainability Office serving as secretariat. The said committee aims to develop a comprehensive and strategic approach to energy efficiency and to the systematic shift to renewable energy sources.

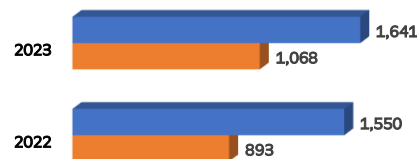
Fuel Consumption

in million liters



Electricity Consumption

in million kWh



Percentage of Electricity Consumption from Renewable Energy

in million kWh



■ Within The Organization ■ Outside The Organization

Total Fuel Consumption By Source

Fuel Consumption (in liter)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
Within the Organization	131,432,247.36	97.9%	147,796,584.37	98.1%	171,390,514.81	98.5%
Generator Set (Diesel)	2,558,522.92	1.9%	2,558,522.92	1.7%	2,292,474.01	1.3%
Transport Vehicles (Diesel)	39,070,904.17	29.7%	39,070,904.17	26.4%	2,579,600.52	1.5%
Transport Vehicles (Gasoline)	218,158.23	0.2%	218,158.23	0.1%	123,219.48	<0.1%
Other Consumption (Diesel)	9,405,213.23	7.2%	9,405,213.23	6.4%	49,914,974.13	29.1%
Other Consumption (Gasoline)	19,044,071.96	14.5%	72,966.06	<0.1%	140,424.18	<0.1%
Heating and Cooking (LPG)	1,417,655.02	1.1%	36,769,314.39	24.9%	59,127,332.48	34.5%
Shipping/Bunker Fuel	59,697,447.00	45.4%	59,697,447.00	40.4%	57,212,490.00	33.4%
Compressed Natural Gas	20,274.83	<0.1%	4,058.36	<0.1%	0.00	0.0%
Outside the Organization	2,812,996.27	2.1%	2,812,903.68	1.9%	2,638,952.61	1.5%
Generator Set (Diesel)	6,927.89	0.2%	6,927.89	0.2%	120,769.81	4.6%
Transport Vehicles (Diesel)	2,672,618.10	95.0%	2,672,618.10	95.0%	1,440,804.61	54.6%
Transport Vehicles (Gasoline)	28,229.96	1.0%	28,229.96	1.0%	32,928.79	1.2%
Other Consumption (Diesel)	98,324.12	3.5%	98,324.12	3.5%	1,031,337.53	39.1%
Other Consumption (Gasoline)	14.72	<0.1%	14.72	<0.1%	3,547.00	0.1%
Heating and Cooking (LPG)	6,881.48	0.2%	6,788.89	0.2%	9,564.87	0.4%
Shipping/Bunker Fuel	0.00	0.0%	0.00	0.0%	0.00	0.0%
Compressed Natural Gas	0.00	0.0%	0.00	0.0%	0.00	0.0%

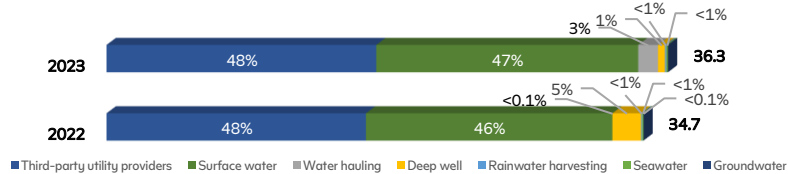
Total Electricity Consumption By Source

Electricity Consumption (in kWh)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
Within the Organization	1,949,416,155.13	68.8%	1,549,601,166.04	63.4%	1,640,998,202.40	60.6%
Non-Renewable Energy	1,462,144,925.15	75.0%	1,060,019,356.78	68.4%	1,231,900,132.63	75.1%
Renewable Energy	487,271,229.98	25.0%	489,581,809.26	31.6%	409,098,069.77	24.9%
Outside the Organization	882,002,130.09	31.2%	892,655,898.41	36.6%	1,067,819,959.80	39.4%
Non-Renewable Energy	465,578,545.62	52.8%	476,232,313.94	53.4%	728,884,466.35	68.3%
Renewable Energy	416,423,584.47	47.2%	416,423,584.47	46.6%	338,935,493.45	31.7%

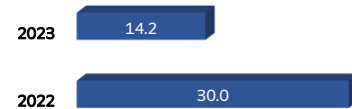
Managing Our Water Use

Water is one of the resources that threatens healthy planetary boundaries. With the Philippines as one of the leading countries responsible for water pollution, we meticulously manage our water use, minimizing our water withdrawals and finding innovative ways to recycle water for multiple purposes. On average, we recycle more than 30% of total water used.

Water Withdrawal
in million cubic meters



Water Recycled
in million cubic meters



Total Water Withdrawal By Source

Water Withdrawal (in cubic meter)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
Total Water Withdrawal	115,104,799.21		34,729,373.06		36,313,095.02	
Third-party utility providers	97,109,436.72	84.4%	16,768,063.40	48.3%	17,436,793.93	48.0%
Surface water	15,951,215.00	13.9%	15,951,215.00	45.9%	16,954,225.00	46.7%
Rainwater harvesting	65,175.40	<0.1%	65,125.00	0.2%	95,983.90	0.3%
Groundwater	207.00	<0.1%	207.00	<0.1%	0.00	0.0%
Deep well	1,892,415.66	1.6%	1,858,504.66	5.4%	450,165.71	1.2%
Seawater	86,143.00	<0.1%	86,143.00	0.2%	95,128.00	0.3%
Water hauling	206.43	<0.1%	115.00	<0.1%	1,280,798.48	3.5%

Total Water Discharge By Destination

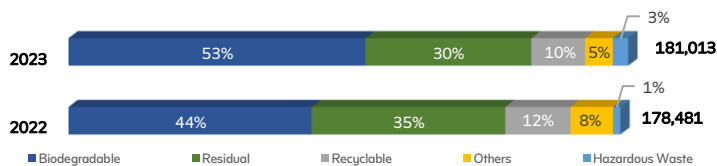
Water Discharge (in cubic meter)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
Total Water Discharge	76,172,366.73		20,398,010.53		25,252,265.63	
Third-party utility water/destination	1,399,352.55	1.8%	1,353,906.55	6.6%	12,238,837.33	48.5%
Surface water	61,609,781.54	80.9%	5,886,109.34	28.9%	1,175,379.91	4.7%
Groundwater	1,447,301.23	1.9%	1,443,827.23	7.1%	16,351.00	<0.1%
Seawater	444,396.41	0.6%	442,632.41	2.2%	482.00	<0.1%
Others	11,271,535.00	14.8%	11,271,535.00	55.3%	11,821,215.99	46.8%

Total Water Recycled

Water Recycled (in cubic meter)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
Total Recycled Water	42,670,264.18		29,996,602.93		14,231,829.03	

Managing Our Waste

Waste Generated
in tonnes



Total Waste Generated By Waste Type

Waste Generated (in tonne)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
Total Waste Generated	177,594.00		178,481.10		181,012.76	
Biodegradable	78,470.59	44.2%	78,559.23	44.0%	95,945.42	53.0%
Recyclable	20,839.16	11.7%	21,105.42	11.8%	17,388.72	9.6%
Residual	62,099.02	35.0%	62,631.22	35.1%	53,706.09	29.7%
Hazardous Waste	2,378.55	1.3%	2,378.55	1.3%	4,985.85	2.8%
Others	13,806.68	7.8%	13,806.68	7.7%	8,986.69	5.0%

Total Waste Disposal By Waste Type

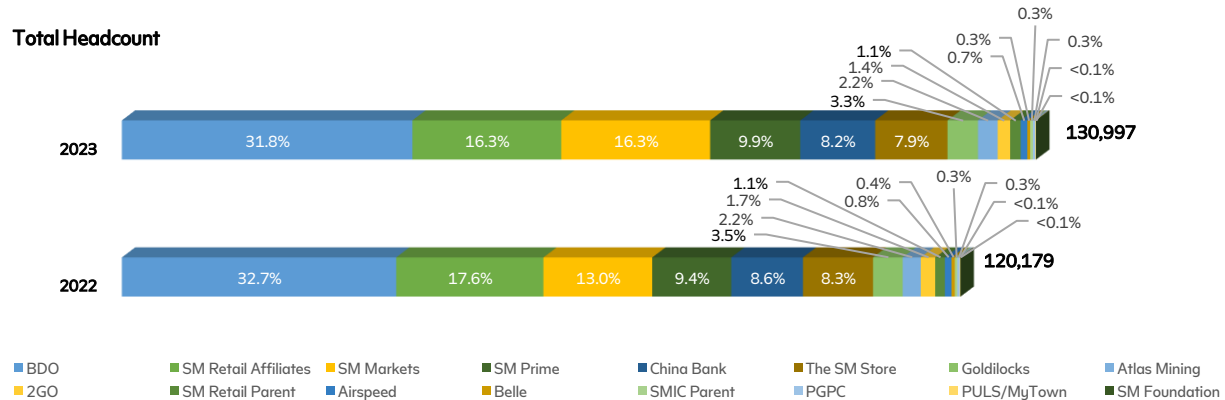
Waste Disposal (in tonne)	2022 Reported	2022 % of Total	2022 Restated	2022 % of Total	2023	2023 % of Total
Total Waste Disposal	75,510.65		76,397.75		108,708.04	
Recycled	2,823.26	3.7%	2,911.90	3.8%	12,241.86	11.3%
Sold	5,634.89	7.5%	5,901.15	7.7%	6,769.09	6.2%
Disposed	52,903.36	70.1%	53,435.56	69.9%	1,036.83	1.0%
Collected by Accredited Hauler	7,050.01	9.3%	7,050.01	9.2%	83,424.94	76.7%
Others	7,099.14	9.4%	7,099.14	9.3%	5,235.31	4.8%

Social Impact

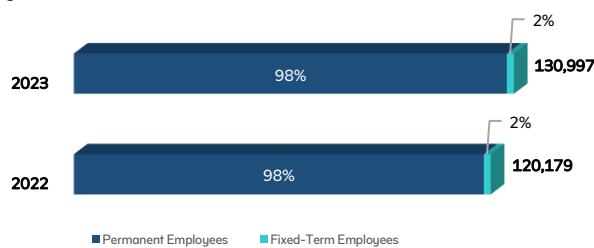
Diversity, Equity and Inclusion

Our people are key in our ability to understand and serve our diverse customers. At SM, we take pride in learning from our people – bringing together different perspectives and finding ways to collaborate and bring innovation. This allows us to respond quickly to the evolving needs of our stakeholders.

Total Headcount

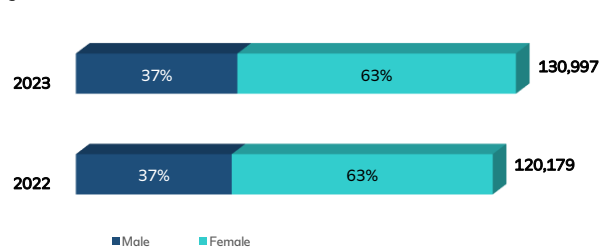


By Contract

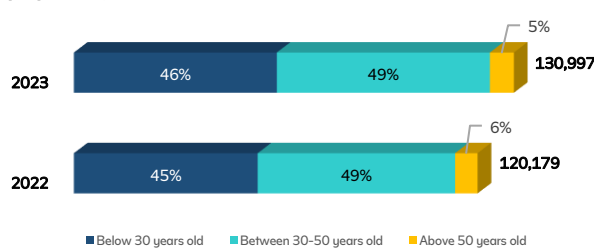


Permanent Employees – include regular and probationary status
Fixed-Term Employees – include project-based and seasonal contract status

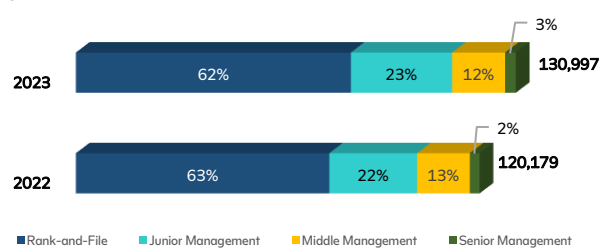
By Gender



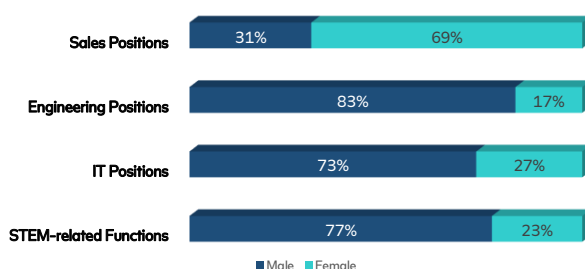
By Age Group



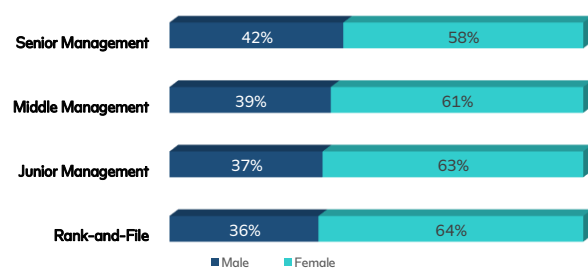
By Level

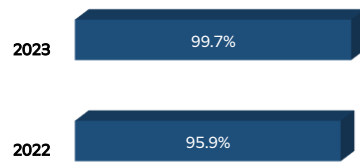
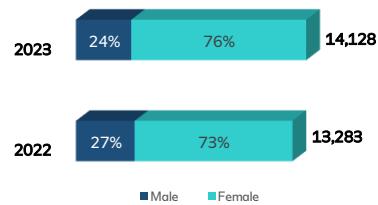
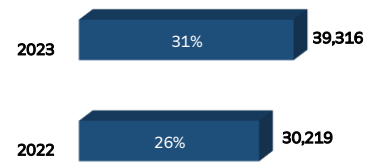
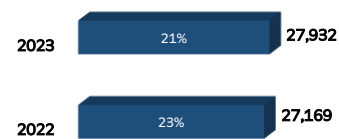
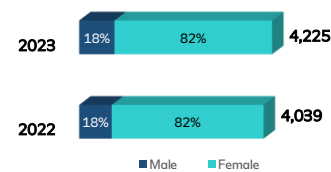


By Job Function and Gender (2023)



By Level and Gender (2023)



Appraisal Rate**Promotion****Hiring Rate****Employees Covered by Collective Bargaining Agreement****Employees Who Availed Parental Leaves****Employee Training Hours**
in million hours

Economic Impact

As a group, we apply strategic allocation of resources to achieve our group vision. Following financial prudence, transparency and accountability, we are able to create meaningful profits with impact that is experienced by all our stakeholders.

Economic Value Table for SM Investments Corporation and its Subsidiaries (in million pesos)

	2023	2022	2021
Direct Economic Value Generated	620,735	556,478	434,764
Less Economic Value Distributed	532,082	484,168	389,076
Operating costs	427,231	395,682	317,486
Employee wages and benefits	35,691	30,852	26,429
Payments to providers of capital	41,420	34,261	28,792
Payments to government	26,969	22,691	15,889
Community investments	771	682	480
Economic Value Retained	88,653	72,310	45,688
% of community investments over economic value retained	0.9%	0.9%	1.1%

Note: Certain accounts in 2022 and 2021 were reclassified to conform to the 2023 presentation.

Community Impact

In our host communities wherever we are present, we aim to close the socio-economic gap by providing access to quality basic services such as education, health care and food sufficiency, which are strong pillars for sustainable development at the community level. These initiatives help provide a more equitable access for the vulnerable members of our stakeholder groups. Our programs are developmental in nature – aligned to national socio-economic goals and the realization of the sustainable development goals 1,2,3 and 4.

Quality Education for Every Filipino

	To Date
School buildings built/donated and refurbished	339
Classrooms built/donated and refurbished	1,203
Scholar graduates	10,564
Scholars supported	12,292

Proper Medical Care

	To Date
Health centers and medical facilities built and renovated	372
Medical missions conducted	1,907
Patients served in medical missions and wellness centers	9,522,394

Freedom from Hunger

	To Date
Farmers trained	34,480
Farmers' training conducted	346

Resilient Communities

	To Date
Kalinga packs distributed	876,429
Operation Tulong Express (OPTE) conducted	783

Building Forest of the Future

	To Date
Trees and seedlings planted and nurtured	Over 2.65 million



SM FOUNDATION

Doing Our Share in Sustainable Development

UN Global Compact (UNGC)

UN Sustainability Development Goals (SDGs)

UN ARISE

UN Women Empowerment Principles (WEPs)

Task Force on Climate-Related Financial Disclosures (TCFD)

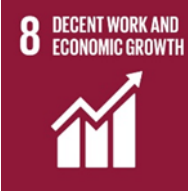



UN Global Compact (UNGC)



We are a signatory of the UN Global Compact, upholding the 10 Principles clustered in Human Rights, Labor Rights, the Environment and Anti-Corruption. This year, we expanded our Sustainability Policy and established a Sustainability Management System to ensure the implementation of the 10 Principles within our businesses and co-led the Prosperity Pillar in UNGC Philippines and now appointed as lead of the said pillar.

UN Principles	SM Policies and Guidelines
Principles 1-2 Human Rights	<p>Human Rights Policy</p> <p>SMIC respects and promotes human rights following the International Bill of Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights. We are committed to the principle that all persons should be treated with respect.</p>
Principles 3-6 Labor Rights	<p>Human Rights Policy</p> <p>Child Labor SMIC will not employ child labor, consistent with the provisions of the labor laws of the Philippines.</p> <p>Freedom of Association and Speech We promote open communication and forums that allow our employees to bring concerns, suggestions, and ideas forward to produce and facilitate improved methods and efficiencies.</p> <p>Forced Labor and Human Trafficking The company will not use slavery or involuntary labor, whether bonded, prison, military, or compulsory labor, including debt servitude or human trafficking concerning any aspect of its operations.</p> <p>Discrimination and Harassment SMIC believes that every employee has the right to be treated fairly and deserves a comfortable and safe working environment. SMIC prohibits discrimination based on age, race, color, religion, sex, nationality, marital status, disability, citizenship, sexual orientation, gender identity or expression, or another protected characteristic.</p>
Principles 7-9 Environment	<p>Sustainability Policy</p> <p>SMIC is committed to complying to all applicable laws and regulations in all aspects of its operations about human and labor rights and environmental responsibility. It also aims to minimize the Company's risks and impacts through the development of a robust and documented system of implementation, measurement, monitoring, dissemination and evaluation of globally accepted standards of social development and environmental sustainability performance both within its scope of operations and to the broader community.</p>
Principle 10 Anti-Corruption	<p>Anti-Bribery and Anti-Corruption Policy</p> <p>SMIC is committed to conducting business ethically and honestly and implementing and enforcing systems that ensure bribery is prevented. We are committed to acting professionally, fairly, and with integrity in all our business dealings and relationships.</p>

UN Sustainability Development Goals (SDGs)

We identified focus SDGs where our group can create the most impact of which we report our yearly progress: SDG 3 Good Health & Wellbeing, SDG 4 Quality Education, SDG 5 Gender Equality, SDG 8 Decent Work and Economic Growth, SDG 11 Sustainable Cities and Communities, SDG 13 Climate Action and SDG 17 Partnerships for the Goals.

Focus SDG	Program or Initiative	2023	2022	2021
	Employee wages and benefits	Php 35.7bn	Php 28.3bn	PHP 24.1bn
	BDO and China Bank's outstanding SME/MSME loans	Php 69.3bn	Php 62.72bn	PHP 61bn
	% of Mall tenants that are MSMEs	67%	68%	>66%
	Partner agents under BDO's Cash Agad	9,764	10,429	9,530
	Capex allocated to incorporate disaster-resilient features	10%	10%	10%
	SM Malls certified with Business Continuity Management System (ISO 22301) to date	77	75	71
	Gold-Certified LEED Buildings	7	6 Certified 1 pre-certified	3 Certified 2 pre-certified
	Malls with water catchment facilities to date	25	23	20
	Mangroves protected	24ha	24ha ¹	24ha
	Marine protected areas	3	3	3
	Capacity of solar panels installed in SM Supermalls	23.26MWp	12.67MWp	10.6MWp
	Renewable energy projects funded by BDO	59	58	54
	Recycled water	14.23mn cu.m.	30mn cu.m. ²	28.2mn cu.m.
	College, high school, and technical vocational scholars supported to date	12,292	11,750	11,266
	Schools built and refurbished to date	339	311 ³	282
	Scholar graduates to date	10,534	10,000	9,434

Focus SDG	Program or Initiative	2023	2022	2021
	Medical missions conducted to date	1,907	1,847	1,535
	Number of rehabilitated public health and medical facilities to date	372	317	305
	Group-wide COVID-19 response for the year	N/A	N/A	Php 21.6bn
	Payments to the government for the year	Php 27bn	Php 22.7bn	Php 15.9bn
	Loans disbursed by BDO to date for national projects, airports and road networks	Php 73.02bn	Php 56.7bn	Php 39.5bn

¹ Data corrected

² 2022 Includes SM Retail HQ, SM Prime, BDO, Tagaytay Highlands, Atlas Mining, NEO Group, Goldilocks. Restated to correct recycled water from Goldilocks.

³ 2022 data updated

UN ARISE

We are a signatory of the UN ARISE, promoting resiliency as part of good business practices. This year, we established a balanced approach to climate action by giving equal importance to adaptation strategies to climate action.

Through SMIC's member subsidiaries and portfolio investments, below are the 2023 Impact and Success Stories from Work Theme and Priority Area Leads:

Subsidiary / Portfolio Investment	Success Stories	Focus Area
SM Prime Holdings Inc.	SM Prime infrastructure innovations for water resource efficiency and conservation to aid in business resilience	Infrastructure Sustainability Climate Resilience
NEO	NEO is the first portfolio in the world to be Building Resilience Index-rated	
Airspeed Group of Companies Holding Corp.	Airspeed's GGB Building to Go Solar Soon	Climate Change Resilience Sustainability
	Breaking Stereotypes: Airspeed Supporting Women Entrepreneurs through WomenBizPH	SME Gender

For more information, please see full report here: https://www.arise.ph/wp-content/uploads/2024/01/2023_ARISE_PH_Annual_Report.pdf

Also, in September 2023, SMIC, in partnership with UN Global Compact Networks Philippines (GCNP), conducted a webinar entitled: Recover, Rebuild & Grow: A Webinar on Business Continuity for MSMEs with over 50 participants via Zoom and Facebook live.

UN Women Empowerment Principles (WEPs)

We proudly uphold the UN Women Empowerment Principles as a signatory. As part of our commitment, we are undertaking a comprehensive Diversity, Equity and Inclusion (DEI) Roadmap across our organization to establish and maintain high standards and practices.

Our Approach

Under the leadership of the SM Group Diversity Officer, Lizanne Uychaco, SMIC presents a simple framework on how each business unit can introduce Diversity, Equity and Inclusion in the workplace. This framework is what will be consolidated for group-wide performance and reporting. Each Business Unit develops its own DEI initiatives and beyond these common standards and foundational principles.

Our Diversity, Equity and Inclusion Principles-Based Framework

Principle 1

We are an equal opportunity provider, giving equal employment opportunities for all applicants and employees, regardless of race, religion & beliefs, gender, national or regional origin, age and marital status.

Principle 2

We provide facilities that support the unique needs of our diverse people, providing ease in mobility and comfort.

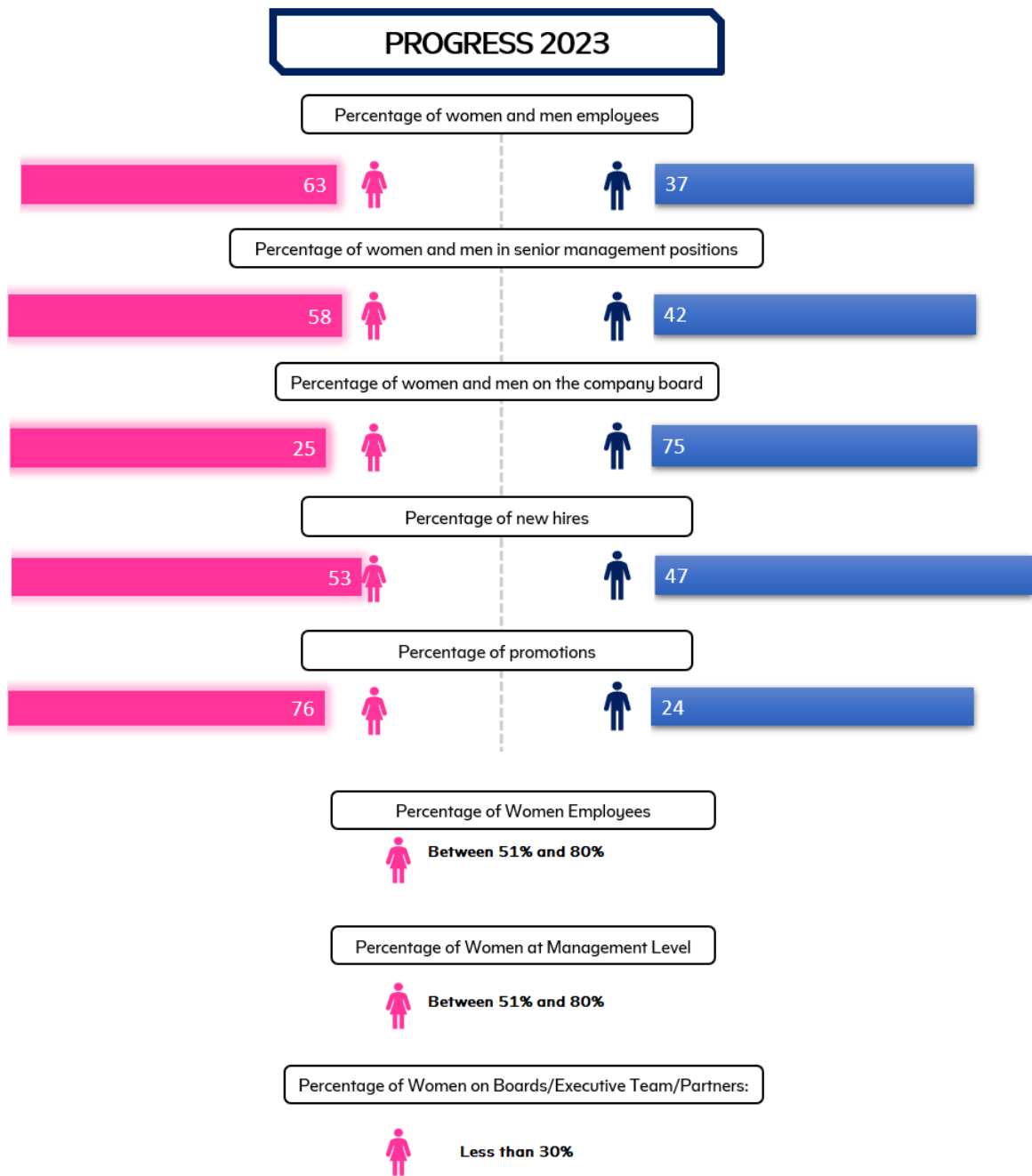
Principle 3

We promote a work culture of meritocracy and respect for universal human rights – treating everyone with dignity and respect regardless of race, religion, gender, national or regional origin, age, background, work role or marital status – aligned to the Principles of the UN Global Compact.

DEI in our Policies	DEI In our Facilities	DEI in our Performance Metrics & Disclosures
<ol style="list-style-type: none">1. We have a designated officer responsible for driving diversity, equity and inclusion in our organization.2. We have an EQUAL OPPORTUNITY policy which articulates our commitment to provide equal employment opportunities for all applicants and employees, regardless of race, religion, gender, national origin, age or marital status3. We have a MERITOCRACY policy which articulates our commitment to reward and promote employees based on performance, merit and contribution to the company's goals and objectives.	<p>In SM Offices, we ensure that we have adequate facilities for ease in mobility.</p> <ol style="list-style-type: none">1. Gender Neutral Washroom2. Non-Denominational, Ecumenical Meditation Room3. PWD Friendly pathways and washroom facilities4. Breastfeeding Room for Nursing Mothers	<p>We safeguard our DEI work culture by measuring our performance.</p> <ol style="list-style-type: none">1. Percentage of Gender Share2. Percentage of Various Religious Affiliation3. Percentage of internal promotions, by rank, by gender4. Percentage of Women occupying senior leadership roles5. Percentage of Women in Board6. Percentage of Employees Trained by gender by rank

OUR UN Women Report – Progress on the Women Empowerment Principles

As a signatory of the UN Women Empowerment Principles, (WEPs), we create a work environment and culture wherein women have equal opportunity to fulfill the multiple roles they play - balancing career advancement and life goals. We track our progress following the UN WEPs Transparency and Accountability Framework, based on our group-wide disclosure from January 1 – December 31, 2023.



Task Force on Climate-Related Financial Disclosures (TCFD)

We are a signatory of the TCFD, assessing the risks and opportunities we face with climate change. This year, we partnered with the World-Wide Fund for Nature (WWF) Philippines in their advocacy for Corporates for a Better Planet Initiative (CBPI). This is part of our commitment to TCFD in order to report our efforts in (a) Establishing Mitigation Strategies by measuring our GHG and finding opportunities for reduction; and (b) Creating Adaptation Strategies incorporated in our Business Continuity Plans by understanding scenario analysis results to our business.

Our Climate Roadmap

Reflecting on 2023, we have observed a noteworthy shift in consumer spending at SM. While our performance remains robust, the trend is no longer driven solely by revenge spending; rather, people are increasingly investing in pre-Covid lifestyle and experiences.

This bodes well for our growth but prompts consideration of possible environmental implications, given the surge in human activity, energy consumption and waste.

Recognizing this, we continue to quantify our climate impact using the Task Force on Climate-Related Financial Disclosures (TCFD) framework and participating in WWF's CBPI. For instance, our initial climate risk assessment forecasts heightened risks such as infrastructure vulnerability to stronger long-term typhoons and increased employee exposure to excess heat.

These insights, coupled with increased regulatory demands for transparency, underscore the imperative for urgent climate action.

GOVERNANCE

Board's oversight of climate-related risks and opportunities

Management's role in assessing and managing climate-related risks and opportunities

What We Committed in the Short-Term (1-2 years)

We will establish a Climate Change Working Group with senior management and technical staff, which will present recommendations to the Board. The Group will establish a practical roadmap and physical and transition risk strategies.

Our Current Practical Actions

The ExCom performs an oversight function on material ESG issues relevant to the Company. It is assisted by the Climate Change Steering Committee, chaired by the CEO, which provides oversight on climate risks and opportunities.

STRATEGY

Climate-related risks and opportunities

Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Resiliency strategy, taking into consideration different climate-related scenarios, including a 2C or lower scenario

What We Committed in the Short-Term (1-2 years)

We will be conducting a comprehensive scenario analysis across our physical assets nationwide, identifying climate risks and opportunities. We will be incorporating climate-related issues in our Enterprise Risk Management and financial planning process.

Our Current Practical Actions

WWF-Philippines, through their CBPI program, has concluded their assessment on climate-related vulnerabilities and opportunities for three of SMIC's operating units (please see related story). The assessment covered climate-related physical risks and transition risks as well as a recommended science-based target in line with global climate goals.

For 2024, three more business units will do their climate scenario analysis.

Other portfolio investments, meanwhile, focus on renewable energy as both cost-reduction and climate strategy. Carmen Copper will be sourcing at least 10% of its power requirements from RE sources in the next five years. It has invested in a 180kw solar rooftop in its headquarters and a 4.996 MWp solar power Floating Photo Voltaic Project in its Malubog Dam. Plans are in place to install solar rooftops in other associated mining facilities within the mine camp.

Goldilocks also plans to install on-site solar power generating system in all of its plants in the next five years.

Retail business Alfamart is also eyeing solar deployment for new stores after it completed a 55KW solar rooftop project for their warehouse. In the pipeline is the construction of a 100KW onsite solar generation that will include warehouse battery charging stations.

Our banks on the other hand pursue financing for sustainability projects as a strategy. In January 2024, BDO launched its second ASEAN Sustainability Bonds issue which hopes to finance eligible assets as defined by their Sustainable Finance Framework.

RISK MANAGEMENT

Processes for identifying and assessing climate-related risks

Processes for managing climate-related risks

Processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management

What We Committed in the Short-Term (1-2 years)

We take an inter-disciplinary approach to Enterprise Risk Management (ERM) with climate issues as part of the ERM agenda.

Our Current Practical Actions

We champion BCPs that improve organizational resilience through the protection of critical business functions that may be affected by climate change-related risks.

One of our BUs, PGPC, has a Facilities Hazard Risk Reduction Program and a Typhoon Preparedness Plan. They also conduct a Geohazard Assessment and Mitigation Management Plan for Extreme Precipitation. PGPC has instituted numerous safeguards and processes in a Resiliency Plan that is continuously updated by its technical teams, included in the annual budget, and reported annually to the Department of Energy.

Our real estate arm SMPH continually leads the ISO 22301 Certification of their key assets. They have 75 ISO Business Continuity Management- certified malls and will be working on two more certifications in 2024.

METRICS AND TARGETS

Metrics used to assess climate-related risk and opportunities in line with its strategy and risk management process

Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG), and the related risks

Targets to manage climate-related risks and opportunities and performance against targets

What We Committed in the Short-Term (1-2 years)

We will expand our disclosure by providing methodologies and looking into new climate metrics such as the Climate Action 100+ Benchmark Framework.

Our Current Practical Actions

While our CBPI engagement with WWF provided us with a working Science-based Target, our operating units will continue to work on practical, pragmatic reduction targets that they can commit to, achieve and communicate.

In the case of SM Prime which is responsible for 52.4% of SM Group's overall emissions, this means committing to achieve net zero GHG emissions by 2040, ten years earlier than most corporates. Working with WWF- Philippines, SMPH has committed to science-based Targets Initiative and has established its near- and long-term science-based targets for 2030 and 2035, respectively.

Moreover, we will also be looking at alternative targets such as SBT for Nature for PGPC as we need to take into consideration some of our investments' already critical role in energy transition. Focusing on nature-positive solutions is more material, especially given inherent environmental impacts within the power sector.

