
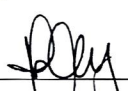

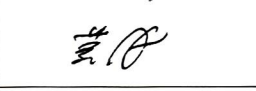



 INVESTMENTS CORPORATION	POLICIES AND PROCEDURES			
	CLIMATE ACTION POLICY			
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Document Approval

Version	Name and Position	Signature	Date
1	Prepared by:		
	Koleen Palaganas		
	Noel Ang		
	Maria Virginia A. Tolentino-Uy		
1	Reviewed by:		
	Timothy Daniels		
	Lizanne Uychaco		
1	Approved by:		
	Frederic C. DyBuncio		

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1.0 OBJECTIVE

This **Climate Action Policy Statement** is part of SM's Sustainability Management System to ensure the full practice of the Sustainability Policy. It aims to provide implementing guidelines on how the Company addresses the impact of climate change.

2.0 OUR CLIMATE ACTION POLICY STATEMENT

SM Investments Corporation (SMIC) envisions to be a catalyst for responsible development in the communities it serves. To realize this, SM shall develop a climate action plan according to the Company's material business needs and our Philippine context, incorporating both mitigation and adaptation in its approach.

3.0 OUR COMMITMENT and INITIATIVES

With SMIC serving as lead and exemplary to the group, all business units within the SM group are expected to develop their respective Climate Action Policy or an Environmental Policy that stipulates its approach to climate change aligned to the Commitments stated in this policy.

1. Alignment with Global Frameworks

We support global frameworks in developing a holistic approach to climate action for the company; this includes the Task Force on Climate-Related Financial Disclosures and the International Sustainability Standards Board IFRS S2 focused on climate risks and opportunities, appreciating the non-prescriptive nature of both frameworks; we shall do our share to fulfill the country's commitment to the Paris Agreement limiting the increase of temperature to 2.5C.

2. Mitigation of Impacts

We shall employ strategies and actions toward carbon management, measuring and reporting our comprehensive carbon footprint and our mitigation approaches as technology and practical opportunities allow. We will use a science-based approach to understanding and addressing our unique physical and transition risks.

3. Adaptation for Resiliency

We give critical importance to climate resiliency with the Philippines being one of the smallest contributors to greenhouse gas emissions yet one of the most impacted by the effects of climate change. To ensure business resiliency, we shall utilize scenario analysis for the creation of Climate Adaptation Plans incorporated in the Business Resiliency Plans.

4. Promote Just Transition Low Carbon Economies

Whenever possible, we shall employ the use of renewable energy sources; we shall provide funding or invest in technologies or businesses that support a just transition to low carbon economies.

5. Greenhouse Gas Emissions Data Reporting

We measure our efforts and impact in carbon management providing timely, accurate and balanced reporting to all our stakeholders, averting any form of greenwashing or green hushing.

This policy is part of the SM Sustainability Management System to ensure the full realization of the SM Sustainability Policy and shall be regularly reviewed and updated as necessary.