

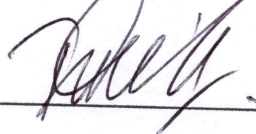
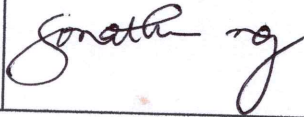

	POLICIES AND PROCEDURES		
	SUSTAINABILITY POLICY		
	Document No. G.SUS – SMRI 001	Version No. 1.0	Effective Date December 31, 2024

Document Approval

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1.0 OBJECTIVE

This **Sustainability Policy** aims 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.

2.0 OUR SUSTAINABILITY PRINCIPLES

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

1. SMRI Standards: Adherence to Sustainability Global Standards

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

2. SMRI 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. SMRI 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, and promote nature-based solutions to facilitate circular economies. We ensure adherence to human and labor rights, promote diversity, equity, and inclusion, and support sustainable development wherever we are present.

4. SMRI 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.

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5. SMRI Transparency and Accountability: Integrity in Sustainability Disclosures

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

3.0 OUR COMMITMENT and INITIATIVES


With SMIC serving as lead and exemplary to the group, SMRI's sustainability principles, commitment, policies and initiatives are aligned to the SM group Sustainability Principles and Commitments as stated in this policy.

Sustainability Governance at SMIC

- **Sustainability Leadership Structure:** Establish a Sustainability Oversight Committee at the Board Level, either incorporated into an existing committee or developed as a stand-alone committee. Appoint a Sustainability Officer in charge of strategy development and the management of sustainability within the Company.
- **Sustainability Operating Systems:** Develop and implement a Sustainability Management System (SMS), also referred to as Environmental and Social Management System (ESMS), a Sustainability Roadmap, and form relevant sustainability working committees to ensure that the Company has the appropriate processes, procedures, and governance structures in place to successfully implement the organization's sustainability agenda.
- **Sustainability Risk Management:** Develop an active Sustainability Risk Management Framework that is implemented through existing global frameworks such as, but not limited to, ISO31000, COSO WBCSD ESG Risk Management Framework, Task Force for Climate Related Financial Disclosures, Task Force for Nature Related Financial Disclosures, ISSB S1 and S2 Risk Frameworks, or other national frameworks issued by the Securities and Exchange Commission (SEC), Bangko Sentral ng Pilipinas (BSP), or other sustainability governing bodies, and is regularly reviewed and assessed.

Environmental Sustainability

- **Protection of Biodiversity and Natural Habitats:** Participate in efforts to improve the conservation of natural habitats and the protection and maintenance of natural ecosystems to enhance biodiversity and prevent the loss of species, especially those that are of direct administration by the SM group.
- **Management of Energy Sources:** Ensure energy efficiency throughout the group, and whenever possible, prioritize the use of renewable energy sources.
- **Management of Resources:** Within our own operations, promote processes that do not adversely affect the environment through the avoidance of materials with irreversible effects, conservation

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of the use of natural resources, and application of innovations that minimize the single linear economy and promote a circular economy model.


- **Climate Action:** Evaluate climate change risks and vulnerabilities, adopt measures to mitigate its impact on the short-term and long-term effects on the Company's operations, and employ innovative solutions to adapt to low carbon economies and other transitions related to climate shift.
- **Environmental Compliance:** Ensure the Company's compliance with applicable national and local environmental laws and guidelines stipulated in the implementing rules and regulations thereof.

Social Sustainability

- **Occupational Health & Safety:** Provide a healthy and safe working environment, adhering to national laws and global best practices, while incorporating other health issues such as mental health.
- **Human and Labor Rights:** Protect the dignity and human rights among our employees, suppliers, and communities and promote diversity, equity, inclusion, and belonging in our workplace.
- **Community Development:** Promote and provide opportunities to achieve basic social rights, such as access to food security, education, health care, and financial inclusion.
- **Responsible Value Chains:** Integrate sustainability standards in the accreditation and selection of suppliers, raise sustainability awareness, and provide access to capacity building for suppliers.

Sustainability Stakeholder Engagement, Disclosures and Reporting

- **Stakeholder Consultation:** Conduct regular consultations, feedback sessions, or surveys with stakeholder groups as a basis for identifying sustainability material topics, risks, untapped opportunities, and impact assessments
- **Sustainability Data Integrity:** Measure and report our sustainability approach, key programs, and key metrics, and whenever possible, obtain external assurance.
- **Sustainability Double Materiality:** Report both progress and impacts of sustainability material topics on SM's business continuity, as well as the impact of the Company's activities to the communities and the environment.
- **Sustainability Reporting Standards:** Align with globally accepted standards and frameworks such as, but not limited to, ISSB S1 and S2, Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), Sustainability Accounting Standards Board (SASB), Task force on Nature-related Financial Disclosures (TNFD), Task Force on Climate-related Financial Disclosures (TCFD), and International Financial Reporting Standards (IFRS).
- **Stakeholder Awareness:** Enhance awareness among our employees, business partners, customers, host communities, and other stakeholders through educating, motivating, and engaging them to take active participation in advancing social and environmental responsibility.
- **Sustainability Advocacy:** Advocate for national policies that advance the sustainable development agenda of the country for private sector participation.

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This policy is complemented by the SMRI Sustainability Management System, as illustrated below, and supports the organization's Corporate Governance and Compliance Framework. The SMIC Sustainability Group Roadmap is a live document developed, managed, and monitored by the SM Group Sustainability Office.

The SM 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-Sexual Harassment - Occupational Health and Safety Policy - Equal Opportunity Policy - Stakeholder Engagement Policy - Responsible Marketing and Labeling Policy - Sustainable Supply Chain Policy 	<ul style="list-style-type: none"> - Sustainability Policy - ESG Risk Management Policy