

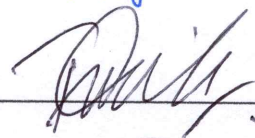
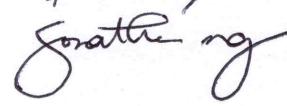

	POLICIES AND PROCEDURES			
	SM RETAIL, INC. SUSTAINABLE SUPPLY CHAIN POLICY			
	Document No. S. SUS-SMRI 008	Version No. 1.0	Effective Date December 31, 2024	Page 1 of 3

Document Approval

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1.0 OBJECTIVE

This **Sustainable Supply Chain Policy** is part of SM's Sustainability Management System to ensure the full practice of the Sustainability Policy and uphold good corporate governance principles espoused in our Corporate Governance Framework. This Policy aims to provide implementing guidelines on how the Company promotes sustainability and inclusive supply chain practices within SM.

2.0 OUR SUSTAINABLE SUPPLY CHAIN POLICY

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 shall incorporate sustainability material topics in assessing suppliers and shall engage suppliers in awareness campaigns to help them embark on their own sustainability journeys.

3.0 OUR COMMITMENT and INITIATIVES

SMRI's Sustainable Supply Chain Policy stipulates its approach in incorporating sustainability standards in its accreditation processes, awareness campaigns, and engagement with the company's suppliers.

SMRI, as a company under SMIC, will abide by the policies and procedures set out by SMIC.

This policy is limited to the items procured for the SMRI and shall align and implement the Sustainable Supply Chain policies of the respective companies it is affiliated with.

1. Adherence to Human and Labor Rights


We adhere to the standards of human and labor rights stipulated in the UN Global Compact principles, which include the prohibition of child labor, compulsory labor, and complicity in any form of human rights violations; protecting the rights of employees to freedom of association and collective bargaining; and ensuring the elimination of all forms of discrimination.

2. Precautionary Approach to Environmental Impacts

We promote the precautionary approach to environmental and biodiversity impact, promoting programs to mitigate our company's environmental impact, pose no threat to the planetary boundaries, and promote climate action through initiatives including efficient energy and water use, reduction of GHG emissions, waste diversion, and resource management.

3. Promote Greater Environmental and Social Responsibility

We support and promote greater environmental and social responsibility among our suppliers through awareness campaigns such as the SM Sustainability School, and engage them in the Company's sustainability programs.

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4. Respecting Animal Welfare

Whenever possible, we work with our suppliers to adopt and implement high standards of animal welfare across our food and general merchandise supply chains.

5. Support Circular Systems

Whenever possible, we shall promote the use of products that support circular systems at end-of-life cycle, particularly in information technology, materials usage, and other items requiring high volumes.

6. Sustainability Journey Process: Awareness, Assessments, Verification and Evaluation

We commit to Responsible Sourcing by working with our suppliers through our Sustainability Journey Process: helping raise their awareness and understanding on sustainability, incorporating sustainability in accreditation assessments with the objective to help them through the journey, providing a verification process with the support of the SM Sustainability Office, and using an evaluation method on progress and corrections implemented by the suppliers.

7. Integrity, Transparency in Sustainable Supply Chain Practices

We uphold the highest integrity in the selection and our dealings with our suppliers. We practice our SM Code of Conduct and are subject to internal audit of our company. Our suppliers are also expected to conduct their dealings with SMRI following the guidelines stipulated by the SM Code of Conduct and applicable company policies, at all times. We provide avenues for our suppliers for whistleblowing following our Whistleblowing Policy.

8. Supply Chain Risk Assessments

We shall incorporate supply chain risks and opportunities as part of the ESG Risk Management. The ESG Risk Management Framework is an active document which is regularly reviewed and updated. It is aligned with the Enterprise Risk Management of the Company. This assessment is done through the partnerships of the Governance, Risk and Compliance Office, Procurement Office and the SM Sustainability Office.

This policy is part of the SMRI Sustainability Management System, designed to support the full realization of the SM Sustainability Policy and uphold good corporate governance principles espoused in our Corporate Governance Framework. This policy shall be regularly reviewed and updated as necessary and communicated to suppliers and relevant stakeholders to ensure broad awareness and consistent implementation.