

	Sustainability Policy			
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Recipients **To:** SM Prime Property Group
Date: March 16, 2023

Objective To provide guidelines relative to the above subject.

Coverage All Business Units under SM Property Group

Please be guided accordingly.

Approved by:

JOHN NAI PENG C. ONG (sgd)
SMPH – Chief Finance Officer

JEFFREY C. LIM (sgd)
SMPH – President

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SM Prime Sustainability Policy

Our founding leader, Henry Sy, believed that “business growth and social development must go hand in hand”. Following this guiding principle, SM Prime recognizes the importance of institutionalizing sustainability practices in pursuing its goals. In this light, we consistently ensure that our working conditions are safe, all our workers are treated with respect and dignity, and our business operations are environmentally responsible and conducted ethically.

We comply with existing regulations and voluntarily employ value chain processes that consider economic, environmental, social, and governance issues and concerns in accordance with our sustainability framework and our adopted global reporting standard. We shall achieve this together with the help of our employees, business partners, and customers.

This Sustainability Policy, carried out in the key commitments specified below, aligns with all our other corporate policies and business principles, particularly with our Company Code of Ethics. Furthermore, *SM Prime* commits to the following:

Resource Conservation and Efficiency

- Increase energy efficiency (i.e., significant decrease in electricity consumption).
- Conserve and protect water resources through efficiency, reuse, and stormwater management (i.e., significant decrease in water consumption).
- Eliminate waste, prevent pollution, and increase recycling (i.e., zero waste).

Disaster Resilience

- Ensure the safety and security of our stakeholders, ensure the protection of assets and minimize disruptions to the availability of goods and services through the Disaster Resilience Policy Framework.
- Evaluate climate risks and vulnerabilities and develop mitigation and adaptation measures to manage both the short and long-term effects of climate change on the Company’s operations.
- Align Company initiatives with the United Nations and national government on prevention and mitigation, preparedness, response and recovery, and rehabilitation.

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Climate Advocacy

- Increase the use of renewable energy, wherever possible.
- Leverage the Company’s acquisitions to foster markets for sustainable technologies and environmentally preferable materials, products, and services.
- Raise employee awareness and encourage each individual in our business units’ communities to apply sustainability ideals to every aspect of their daily work (i.e., participate in at least two sustainability events within the year and attend the Sustainability 101 Workshop).

Social Integration

- Initiate programs for diversity and inclusivity, aligned with human rights and labor practices, for community development.
- Advocate global and local community efforts that promote private and public partnership.

Transparent Reporting

Measure and report sustainability performance (i.e., contribute to the Company’s group wide Integrated Report).
