



ENERGY MANAGEMENT POLICY

On May 24, 2019, Republic Act 11285 of the “Energy Efficiency and Conservation Act” took effect. This law aims to strengthen the implementation of energy efficiency and conservation measures across the country. SM Prime recognizes the importance of this legislation not only as a legal requirement, but also as a vital component of its sustainability efforts. The Company fully supports the Act as part of its commitment to achieving its Net Zero target and advancing its overall sustainability roadmap.

SM Prime is committed to the responsible operation of its real estate assets in alignment with its Sustainability Policy, particularly in the areas of resource conservation and efficiency. Thus, this Energy Management Policy is established as a consistent framework for promoting and pursuing the efficient and effective use of energy resources, wherever economically feasible.

SM Prime commits to:

- Institutionalize an Energy Efficiency and Conservation Program, supported by appropriate policies and procedures, to ensure efficient and prudent use of energy while reducing operating and maintenance costs;
- Partner with reliable suppliers of renewable energy (RE) to ensure a stable and sufficient energy supply, while mitigating the impact of volatile imported fuel prices;
- Maintain at least 50% renewable energy sources in its energy mix, in support of the national government’s target of achieving 50% RE by 2040;
- Promote and adopt energy-efficient technologies and practices to optimize energy use and support the sustainability of the Company’s resources;
- Strengthen energy data collection systems to ensure consistent, accurate, and reliable reporting;
- Foster a culture of energy awareness and responsibility by engaging stakeholders and encouraging energy-saving behavior;
- Designate representatives from business units to support and implement the Company’s energy-related commitments;
- Comply with all applicable regulatory requirements under the Energy Efficiency and Conservation Act, as well as relevant issuances from the Department of Energy and other governing bodies; and
- Ensure timely communication of new directives and any changes in the regulatory landscape to all relevant stakeholders.

Management System

SM Prime adopts the Energy Management System or ISO 50001 standards and ensures integration in the organization’s culture and operations. This enables consistent compliance, as well as continuous monitoring, evaluation, and improvement of energy performance.