

Sustainability Reporting Handbook

A GUIDE FOR THE SM GROUP OF COMPANIES

PUBLISHED SEPTEMBER 2026
THE SM GROUP SUSTAINABILITY OFFICE

Sustainability reporting is storytelling with purpose—bringing clarity to complexity by showing how our strategy, daily decisions and risk management come together.

It connects big ideas to real actions and transforms risk awareness into a clear, meaningful picture of who we are as a company.

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WHY THIS HANDBOOK?

Sustainability reporting is evolving. It is no longer about ticking technical boxes, but about being clear, candid and useful. As frameworks evolve and become more streamlined, the real task is not simply compliance—it is saying what matters.

Done properly, a report isn't a form. It reflects how strategy shapes decisions, how risks are managed and how sustainability shows up in everyday work.

At its best, it tells a story. Not a heroic one, but an honest one: why this matters, what choices were made and what progress actually looks like. Clarity builds trust; jargon does not.

This Handbook is here to help. It offers practical guidance so teams can report with confidence—moving from obligation to communication, and from noise to something worth reading.

WHAT IS IN THIS HANDBOOK?

This handbook is for sustainability leaders who need to get reporting right. It aims to move teams from good intentions to publishable, assured reports—without losing their minds in the process. It aligns with SEC requirements and the usual alphabet soup of reporting frameworks and standards (IFRS S1 and S2, GRI, SASB), but the goal is simpler: build reports that are solid, comparable and worth reading.

It covers five things:



1 **FOUNDATIONS**

2 **FOCUS**

3 **DATA**

4 **WRITING**

5 **ASSURANCE**

01

FOUNDATIONS OF SUSTAINABILITY REPORTING

The governance, policies and discipline you should already have.



SECTION 1:

1.1 Sustainability Governance

A clean governance structure makes sustainability real. Give people clear roles—from the board down—and it stands a chance of shaping both strategy and day-to-day decisions. Without that, it's just talk.

a. Sustainability Governance Committee at the Board Level – establish a board committee which exercises Board-level oversight of the company's sustainability strategy, ensuring robust governance, alignment with long-term business objectives and accountability for environmental and social performance.

b. Sustainability Steering Committee at the Management Level – establish an inter-functional steering committee to provide strategic direction, governance oversight and coordination of sustainability efforts in line with long-term strategy, risk and stakeholder expectations

c. Technical Working Groups – establish technical working groups, where needed, to address material issues and develop long-term solutions aligned with global standards and local regulations

d. Sustainability Office – establish a Sustainability Office to drive operational strategy, build internal capability and set standards aligned with global best practice and local regulation

Watch and Learn
See how clear roles drive sustainability governance
Scan to watch.



Scan to view the SM Investments Sustainability Steering Committee & Working Groups Mandate.



1.2 Sustainability Policy & Management System

Establish a Sustainability Policy and Management System to guide priorities, shape strategy, and anchor a clear, practical roadmap across material issues

a. Sustainability Policy – sets out the company's stance on responsible growth, embedding sustainability into strategy, operations and risk management, with a clear focus on the issues that matter most and how they are to be managed in practice.

b. Sustainability Management System – provides the group-wide framework that puts the policy into practice. It brings together key standards on climate action, equal opportunity, anti-bribery, and other priority areas ensuring they are applied consistently, through the processes, accountability and discipline needed to make them stick.

Watch and Learn
Turn sustainability commitments into action.
Scan to watch.



Scan to view the SM Investments Sustainability Policy & Management System.



1.3 Value Creation Strategy

A **value creation strategy for sustainability** is a focused plan to turn key environmental and social issues into business advantage—driving growth, reducing costs, strengthening resilience and guiding better decisions across the company. You may use the Integrated Reporting Framework illustrative guide in developing your value creation strategy based on capital inputs, business activity, output and intended outcomes.

Develop a Sustainability Agenda as a practical expression of your organization's value creation strategy—selecting a focused set of material priorities where the business can consistently create value and embedding them into core operations, investment decisions and long-term planning so they become part of how the organization runs, not an add-on.

In essence, a Sustainability Agenda focuses the business on where sustainability matters most - commercially and socially. This ensures they become part of how the organization operates, rather than an add-on.

At SM Investments, this takes the form of a **Five-Point Sustainability Agenda**:

1.  Sustainable and Resilient Integrated City Development
2.  Financial Inclusion, Job and Entrepreneurship Creation
3.  Climate Action and a Just Transition to a Low-Carbon Economy
4.  Green Options for Sustainable Lifestyle Shifts
5.  Societal Well-Being and Development

Explore SM Investments' **Five-Point Sustainability Agenda** in the Sustainability Report. Scan to read more.

Watch and Learn

Connect sustainability to long-term value.

1.4 Sustainability Risk Management Framework

A **Sustainability Risk Management Framework** is how the business identifies and manages environmental and social risks with the same discipline as any other business risk—so they inform decisions, protect value and strengthen resilience.

In practice, it embeds these risks into strategy, planning and controls, ensuring they are fully integrated into the organization's **Enterprise Risk Management (ERM)** framework, rather than treated separately.

At SM Investments, this is anchored on **ISO 31000** and aligned with **WBCSD COSO** principles, ensuring sustainability and climate risks are managed within the ERM framework with clear structure, accountability and consistency across the Group. The Head of the SM Sustainability Office holds direct responsibility for managing sustainability risks and reports to the Chairman of the SM Group Steering Committee, which in turn reports to the relevant Board Committees.

Scan the QR code to access the **SM Investments Sustainability Risk Management Framework**. You may also refer to the Risk section of our Sustainability Reports for progress updates.

Watch and Learn

See how sustainability risks can be integrated into business risk management and decision-making.

1.5 Sustainability Roadmap

A Sustainability Roadmap sets out how the company moves from ambition to execution—turning broad commitments into a clear sequence of actions, priorities and milestones that the business can realistically deliver. Its purpose is to bring focus and discipline: deciding what matters most, aligning teams around those priorities and ensuring progress is measurable, consistent and tied to real business outcomes. Done well, it removes the fog from sustainability—so it is less about aspiration and more about execution.

At SM Investments, this is organized around five key result areas that keep the effort grounded and accountable:

- **KRA 1: Sustainability Strategy & Leadership Capacity**
- **KRA 2: Sustainability Integration in Business Objectives, Processes & Operational Compliance**
- **KRA 3: Evidence-Based Decision Making through Sustainability Data Management**
- **KRA 4: Sustainability Reporting and ESG Scorecard Standards**
- **KRA 5: Sustainability in Brand Value**

Together, they ensure sustainability is not treated as a parallel initiative, but built into how the business is led, run, measured and ultimately valued—under the stewardship of the Sustainability Office, working in concert with the Working Groups and guided by the Sustainability Steering Committee.

Watch and Learn

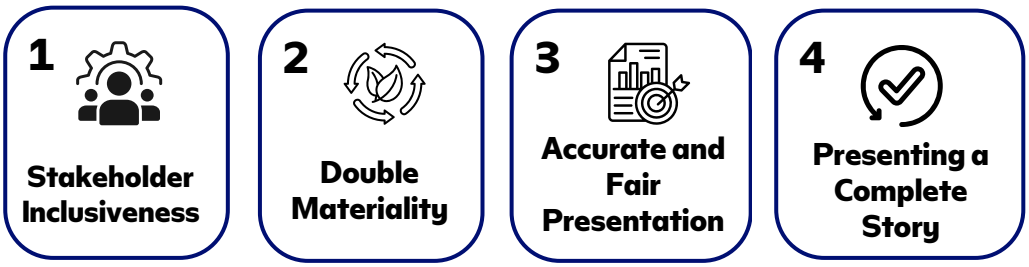
Turn sustainability goals into progress. Scan to watch.

02

SUSTAINABILITY FOCUS & FRAMEWORKS

What actually deserves to be reported

SECTION 2:



2.1 Stakeholder Inclusiveness: Listening to and including all stakeholders

A **stakeholder** is anyone who is affected by what we do or has an interest in our work. A **stakeholder assessment** is about finding out who is affected by a project and understanding their views or interests.

Who Is Affected? Simple Steps to Find Out

ID your potential stakeholders – it answers the question WHO?

Who is affected? Who is involved? Who has influence? Who do we depend on? Who do we work with? Who has decision-making powers? Who do we serve?

Profiling your stakeholders – it answers the question HOW?

How are they connected with us? How are they affected? How much influence do they have over us? How much stake do they have in our business?

Mapping stakeholder concerns – it answers the question WHAT?

What issues are important to them? What topics have the biggest impact to them? What priorities do they have that align with ours or differs? What values do they uphold that align with us or differs?

Monitor Impact & Repeat – it answers the question WHICH?

Which of their issues created the most impact? Which of their priorities mattered the most given our plans? Which values served as a game-changer in their engagement with us?

Stakeholder engagement can be simple or formal. It may include surveys, regular meetings such as investor or customer sessions, or open discussions. This is usually done every two to three years, or whenever a major change or issue arises that could have a significant positive or negative impact to the organization or its stakeholders.

Watch and Learn
Understand different perspectives and what matters.

2.2 Double Materiality: The Full Picture of Impact

A topic is material if it matters enough to influence decisions or actions. According to IFRS, information is considered material if its omission, misstatement, or obscurity could reasonably be expected to influence decisions made by the primary users of financial statements.

GRI takes a different perspective, defining materiality as the significance of an organization's impacts on the economy, environment and people, emphasizing stakeholder influence and sustainable development.

A **double materiality approach** considers both perspectives through a robust materiality assessment – the impact of outside issues in our organization and the impact of our organizations activities and decisions to the outside world – "outside-in, inside-out."

How to Plot a Double-Materiality Matrix



Step 1: Define scope and purpose

Clarify which decisions the materiality assessment will inform, aligning with IFRS (financial materiality) and GRI (impact materiality).



Step 2: Identify potential material topics

Compile a long list of ESG issues from standards, regulations, peers and internal risk registers—covering both outside-in risks and inside-out impacts.

You can refer to SASB Industry Guide here.



Step 3: Identify stakeholders and inputs

Map key stakeholders (investors, management, regulators, communities) to reflect both financial users and broader societal interests. Refer to 1.1 Stakeholder Inclusiveness.



Step 4: Identify potential material topics

Compile a long list of ESG issues from standards, regulations, peers and internal risk registers—covering both outside-in risks and inside-out impacts.



Step 5: Assess financial materiality

Compile a long list of ESG issues from standards, regulations, peers and internal risk registers—covering both outside-in risks and inside-out impacts.



Step 6: Score and prioritize topics

Apply a consistent scoring method to rank each topic on both impact and financial dimensions.

An example can be found on pages 16-18 of the SM Investments Sustainability Report 2024.



Step 7: Plot the double materiality matrix

Map the results on two axes: Y-axis: Impact materiality (GRI) and X-axis: Financial materiality (IFRS).

An example can be found on page 13 of the SM Investments Sustainability Report 2024.



Step 8: Validate with management and governance

Review outputs with leadership and relevant committees to ensure alignment with strategy and risk management.



Step 9: Integrate into business processes

Embed priority topics into strategy, ERM, targets and operational plans.



Step 10: Disclose and refresh

Report in line with IFRS and GRI, and update regularly as risks and stakeholder expectations evolve.

An illustrative example of Steps 8–10 can be found on pages 16–18 of the SM Investments Sustainability Report 2025.

2.3 Accurate and Fair Presentation

A **balanced report** sets out material information with a steady hand—showing both progress and problems, strengths and shortcomings—so decision-makers see the business as it is, rather than as it might like to be seen.

One may achieve this by adopting a disciplined, evidence-led approach grounded in materiality, where disclosures are supported by reliable data, consistent methods and clear oversight—and where there is just enough honesty to report the less comfortable parts alongside the successes.

Practical Steps that actually Make it Work



Step 1: Anchor disclosures on material topics

Report only what is genuinely material based on the double materiality assessment—avoiding both omissions and unnecessary clutter.



Step 2: Align with IFRS definition of materiality

Ensure information included could reasonably influence investor decisions, particularly in relation to financial position, performance and future cash flows.



Step 3: Present both risks and opportunities

Provide a balanced view—cover downside exposures (e.g. transition, physical risks) alongside upside (e.g. efficiency, new markets).

An illustrative example of Steps 1-3 can be found on pages 16–18 and pages 39-47 of the SM Investments Sustainability Report 2025.



Step 4: Ensure completeness across time horizons

Cover the short-, medium- and long-term impacts, including how issues may evolve and affect the business over time.



Step 5: Maintain neutrality and avoid bias

Avoid overly positive framing—report challenges, gaps and underperformance with the same clarity as achievements.



Step 6: Link sustainability to financial impact

Clearly connect material topics to financial implications, strategy and risk management —making them relevant to decision-makers.



Step 7: Use consistent metrics and methodologies

Apply clear definitions, assumptions, and methodologies that are consistent year-on-year to support comparability.



Step 8: Provide context and explanations

Map key stakeholders (investors, management, regulators, communities) to reflect both financial users and broader societal interests. Refer to 1.1 Stakeholder Inclusiveness.



Step 9: Ensure verifiability and audit trail

Support disclosures with reliable data, controls and documentation to enable internal review and external assurance.



Step 10: Cross-reference governance and strategy

Show how material topics are overseen (Board, committees) and embedded into strategy, ERM and decision-making.



Step 11: Avoid obscuring material information

Present clearly and concisely—do not bury key issues in overly technical or excessive disclosure.



Step 12: Regularly review and update

Refresh disclosures as material risks, impacts and business conditions evolve, ensuring continued relevance and accuracy.

An example can be found on pages 16–18 and pages 39-47 of the SM Investments Sustainability Report 2025.

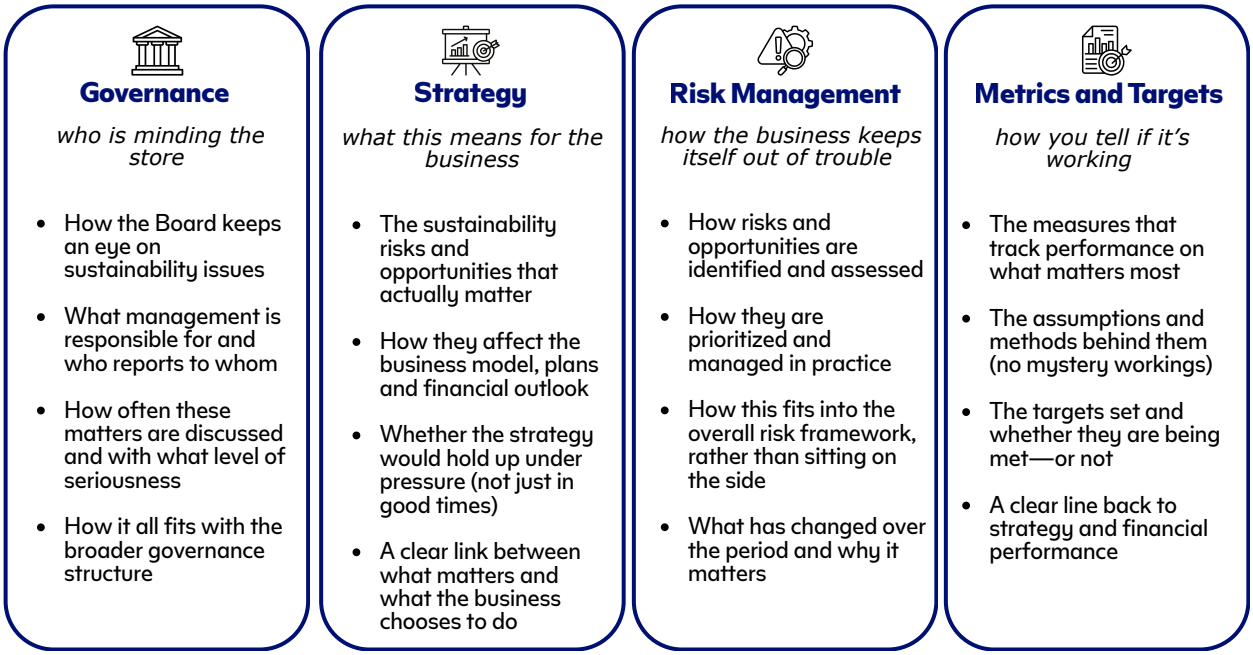
2.4 Presenting a Complete Story

A good report reads as a single, coherent account—not a set of disconnected sections. Each part should contribute to the whole, linking strategy, risks, actions and results so the reader can see how the business actually works. The aim is not to persuade, but to present a clear, joined-up picture that allows stakeholders to form their own view of the organization's progress and impact.

IFRS S1 Core Content

Under **IFRS S1**, the reporting requirement is refreshingly straightforward: explain the sustainability topics that genuinely affect the business and do so in a way that a sensible investor can follow without needing a translator. It is less about saying everything and more about saying what matters—with enough clarity and connection for the reader to see how these issues shape performance, risk and long-term prospects.

IFRS S1 Core Content—and what each should include

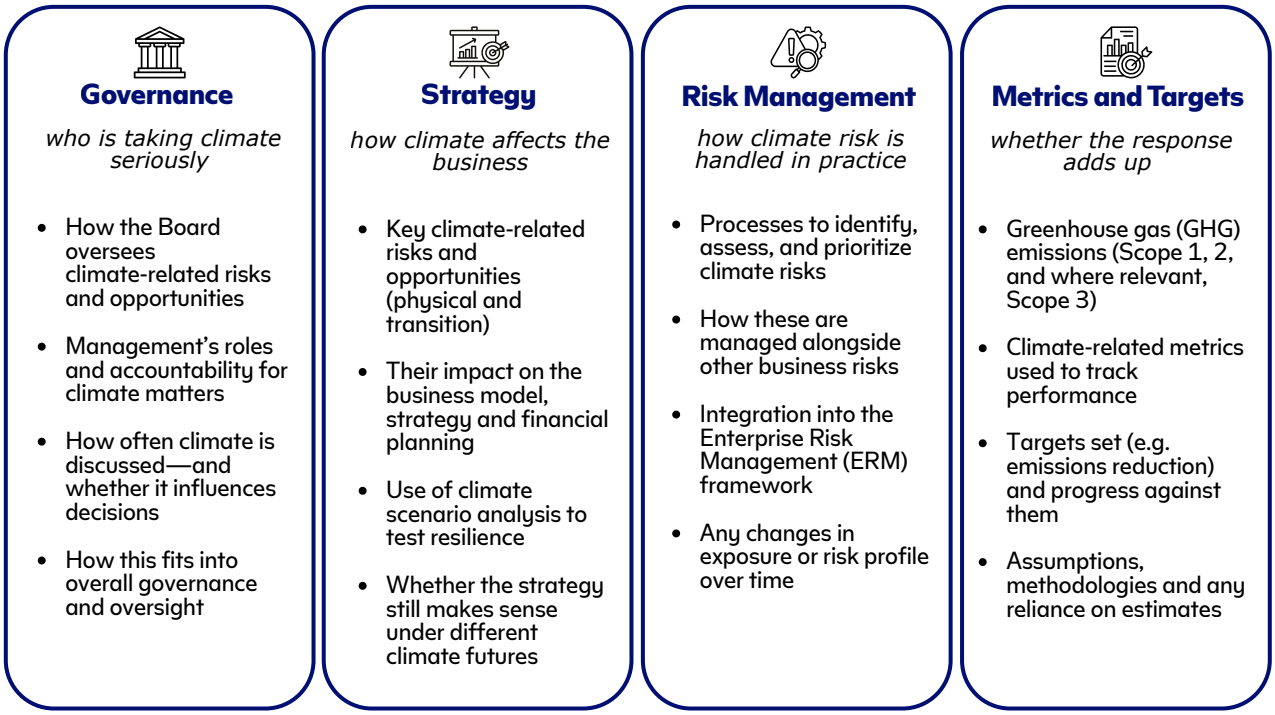


In short, IFRS S1 expects a report that behaves like a grown-up account: clear on who is responsible, honest about what matters and practical about what is being done and whether it is working.

IFRS S2 Core Content

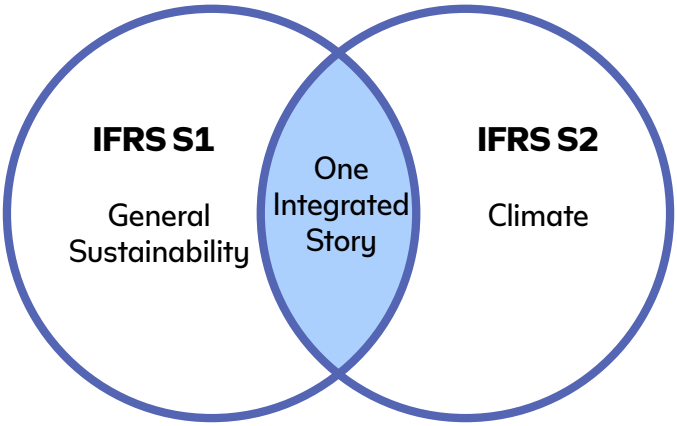
Under IFRS S2, the focus narrows to climate—but with the same disciplined intent: explain how climate-related risks and opportunities affect the business, and what the organization is doing in response. It expects less rhetoric and more substance—enough detail for a reader to assess exposure, resilience and progress without being buried in jargon.

IFRS S2 Core Content—and what each should include



In short, IFRS S2 expects a climate story that holds together: who is responsible, where the business is exposed, what it plans to do about it, and whether the numbers suggest it is on track—or quietly falling behind.

Merging **IFRS S1 (general sustainability)** and **IFRS S2 (climate)** is less about adding more and more about **presenting one joined-up story**, where climate sits naturally within broader sustainability—rather than as a separate report bolted on at the end. A sensible way to do this is to **structure disclosures around the four pillars (governance, strategy, risk management, metrics & targets)**, with climate considerations integrated across each pillar.



Practical steps to unify S1 and S2

01 Start with one governance structure

- Present a single governance narrative covering all sustainability matters
- Show how climate oversight sits within this structure (Board, committees, management roles)
- Avoid duplicating governance for S1 and S2—there should be one clear chain of accountability

02 Present a single, integrated strategy

- Describe overall sustainability strategy under S1
- Position climate as a core, material component within it
- Integrate climate risks (physical, transition) directly into business model and financial planning discussions
- Include climate scenario analysis as part of overall resilience assessment—not a standalone exercise

03 Align risk management into one system (ERM-led)

- Describe one Sustainability and Climate Enterprise Risk Management (ERM) process under S1
- Show clearly how climate risks are identified, assessed, and managed within that same system
- Avoid treating climate risk as a parallel process—make it part of "how risk is managed, full stop"

04 Integrate metrics and targets (with climate detail)

- Present a core set of sustainability metrics linked to material topics
- Include climate metrics (GHG emissions, targets) within this set—not in isolation
- Clearly connect metrics to strategy and financial impact
- Allow climate disclosures (Scope 1, 2, 3, targets) to go deeper where required by S2

05 Use a layered disclosure approach

- Keep the main narrative clean and joined-up
- Add climate-specific detail (methodologies, assumptions, emissions breakdowns) in dedicated sections or appendices
- This keeps readability while meeting S2 depth requirements

06 Cross-reference deliberately

- Link climate disclosures back to strategy, risk, and governance sections
- Avoid repetition—use signposting ("see climate section") to keep one coherent story

07 Anchor everything on materiality

- Use your double materiality results to show why climate features prominently
- Make clear which issues are material under S1—and why climate is one of them

08 Keep the narrative investor-useful

- Focus on what affects financial position, performance, and future cash flows
- Ensure climate-related disclosures clearly connect to these outcomes

In essence - Think of **S1 as the main story** and **S2 as a critical chapter within it**—not a separate book. When done properly, the reader should not feel they have switched frameworks; they should simply see a business explaining, clearly and consistently, how sustainability—and especially climate—shapes its future.

GRI interoperability—telling the fuller story:

If IFRS keeps the report disciplined and investor-focused, **GRI adds the wider lens**—showing how the business affects the world around it. Used well, the two complement rather than compete: IFRS explains what matters to enterprise value, while GRI fills in the broader impacts on people, environment and society. Balancing "impact outside" sounds abstract until it is brought back to something more familiar: how a company's decisions affect in people's everyday lives.

A practical approach keeps this grounded. Reducing waste is not just an efficiency story—it can mean lower costs and less excess passed on to customers. Investing in cleaner energy is not only about emissions—it can support more reliable services and, over time, greater price stability. Treating employees and communities well shows up in better service, safer environments and more inclusive access to opportunity.

The discipline is to make these connections clear, in plain terms. It is less about broad statements and more about quietly answering the questions stakeholders are really asking: does this make life better, fairer, or more manageable—and how? When done properly, sustainability moves from theory into something people can recognize in their everyday lives.

Practical steps for writing

01 Start with real-world relevance	Translate impacts into everyday effects—cost, access, reliability, safety and quality of life
02 Link actions to outcomes	Show clearly how business decisions lead to visible changes people experiences
03 Use plain, grounded language	Avoid technical framing—write so a non-specialist can follow without effort
04 Be specific, not abstract	Replace broad claims with concrete examples of how people are affected
05 Balance the account	Show where outcomes are improving, and where progress has yet to be made
06 Keep the reader in mind	Frame disclosures around what stakeholders would reasonably want to understand about how the business affects them
07 Connect back to the bigger picture	Tie everyday impacts into overall strategy and performance, so the story feels complete

Check the interconnectedness with global and Philippine agendas. You may refer to pages 16–18 of the SM Investments Sustainability Reports 2025.

Watch and Learn
Bring your sustainability story together.

03

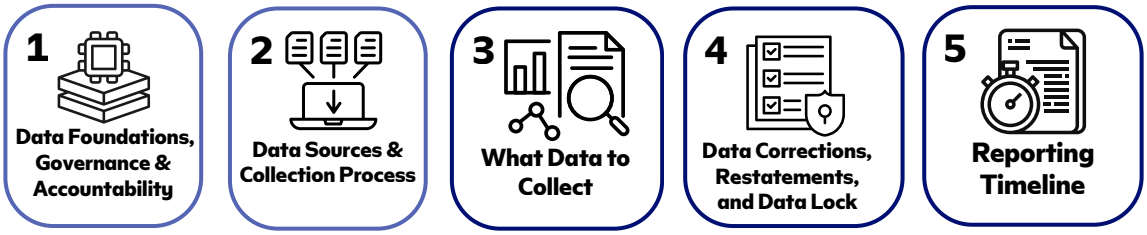
Building Trustworthy Data

How to prove it stands up to scrutiny



Reliable sustainability reporting depends on data that are complete, accurate, consistent, traceable and supported by appropriate evidence.

This section establishes the Group-wide sustainability data governance, reporting methodology and control requirements. Detailed instructions for using the SM Sustainability Data Tool—including system roles, workflow actions, Data Forms, submission procedures, return paths and field-level requirements—are provided in the SM Sustainability Data Tool Handbook.



3.1 Data Foundations, Governance & Accountability

This section sets the discipline for sustainability data: why it matters, who is accountable and the principles make it reliable.



3.1.1 Purpose and Scope

This section explains how sustainability-related information should be collected, prepared, reviewed, validated, stored, consolidated, and used for reporting. It is designed for Business Units, sustainability data management and reporting roles, the Sustainability Data Management Team, Internal Audit and external assurance providers. Refer to the **SM Sustainability Data Tool Handbook** for detailed user roles, responsibilities and workflow requirements.

Watch and Learn

Why does a good sustainability report start with good data? Scan to watch.

3.1.2 Data Management Principles

The following principles guide all sustainability data activities. They align with GRI reporting principles, IFRS S1 qualitative characteristics (relevance, faithful representation) and GHG Protocol principles (relevance, completeness, consistency, transparency, accuracy).

Principle	What it means in practice
Completeness	Data covers all required indicators, Business Units, entities, facilities, sites and reporting periods within the approved scope. Gaps are explained and improvement plans are documented. Exclusions are disclosed with justification.
Accuracy	Data is based on actual records, reliable documents or approved calculation methods. Uncertainty is reduced as far as practicable.
Consistency	Definitions, formulas, units, reporting boundaries and methodologies are applied consistently across periods and business units. Changes are documented and assessed for restatement.
Traceability	Each data point can be traced to a source document, system record, calculation file or approved explanation.
Timeliness	Submissions, reviews, and validations happen within the agreed reporting calendar to meet consolidation, drafting, assurance and publication deadlines.
Accountability	Each material data point has clearly assigned responsibilities for preparation, review and approval, consistent with the applicable Sustainability Data Tool workflow.
Verifiability	Data and supporting evidence are retained and organized so that an independent party can test and confirm reported information.

Watch and Learn

See what makes sustainability data reliable, traceable and ready for reporting. Scan to watch.

3.1.3 Data Governance and Accountability

A. Sustainability Data Workflow Roles

Role	Key Responsibilities
BU Data Owner	Gathers and prepares data; uses required definitions, templates, units, and reporting period; attaches supporting evidence; explains gaps, estimates and unusual movements; and corrects data when review issues arise.
BU Data Verifier	Checks completeness, source support and agreement with supporting evidence; identifies obvious errors or inconsistencies; and returns data with specific comments when correction or clarification is needed.
BU Data Validator	Reviews reporting methodology, reporting boundary, classifications, estimates, calculations, significant variances and reporting treatment; and confirms that data are suitable for BU consolidation.
BU Consolidator	Consolidates validated submissions into the BU dataset; reviews consolidation completeness and consistency; and addresses consolidation issues before BU approval.
BU Approver	Performs the final BU governance review and approves the consolidated BU dataset for Groupwide consolidation.
SM Groupwide Data Admin	Consolidates approved BU submissions into the Groupwide dataset and coordinates the Groupwide consolidation process.
SM Groupwide Data Verifier	Independently verifies the consolidated Groupwide dataset for completeness, consistency and support from approved BU submissions.
SM Groupwide Data Validator	Performs the final technical review of the consolidated Groupwide dataset, including methodology, reporting treatment and significant issues, before Groupwide approval.
SM Groupwide Data Approver	Provides final governance approval of the Groupwide dataset for disclosure.

For detailed role responsibilities, workflow actions, status definitions and return paths, refer to the Data Tool Handbook.

WATCH & LEARN
See how roles and accountability support data quality. Scan to watch.

B. Sustainability Data Workflow Roles

Role	Key Responsibilities
Sustainability Data Management Team	Issues reporting methodology and guidance; coordinates the reporting calendar; monitors reporting progress; and supports Group-level sustainability reporting and assurance activities.
Corporate Governance and Sustainability Committee / Executive Committee	Provides oversight and accountability for disclosed information; reviews material disclosures; approves significant methodology changes.
Internal Audit / Internal Assurance	Tests selected data and process controls; identifies gaps; recommends improvements.
External Assurance Provider	Tests agreed disclosures and evidence based on the assurance scope and applicable criteria

3.2. Data Sources & Collection Process

This section turns reporting requirements into a workable data system, with clear definitions, sources, collection steps and tool controls.

3.2.1 Data Source Mapping

A data source map connects each reported metric to its origin, owner, calculation method, evidence and approval trail. It is the bridge between the final disclosure and the underlying source record.

Data source map field	Minimum Content
Metric or disclosure	Name of the data point to be reported (e.g., electricity consumption, employee turnover, Scope 1 emissions).
Framework reference	Link to IFRS S1, IFRS S2, GRI standard, ESRS, SASB, internal KPI or other reporting requirements
Reporting boundary	Business Unit, entity, site, geography, facility, workforce category or value chain boundary covered.
Source system or document	HR platform, finance report, utility bill, meter reading, supplier file, waste certificate, safety log, or survey.

Data source map field	Minimum Content
Owner / Verifier /Consilidator/ Validator/ Approver	Named people or roles responsible for preparation, review, consolidation and approval.
Calculation method	Formula, conversion factor, emission factor, assumptions, data transformations, and units.
Reporting boundary	Formula, conversion factor, emission factor, assumptions, data transformations, and units.
Frequency of update	Monthly, quarterly, or annual—clarifies when data should be refreshed. (Highly suggested to collect and submit monthly environmental data)
Evidence retained	Files, exports, screenshots, bills, logs, invoices, methodology notes and approval records.

3.2.2 Data Collection, Review and Consolidation Workflow

Sustainability data are collected, reviewed, validated, consolidated and approved through the SM Sustainability Data Tool in accordance with established Business Unit and Groupwide workflows.

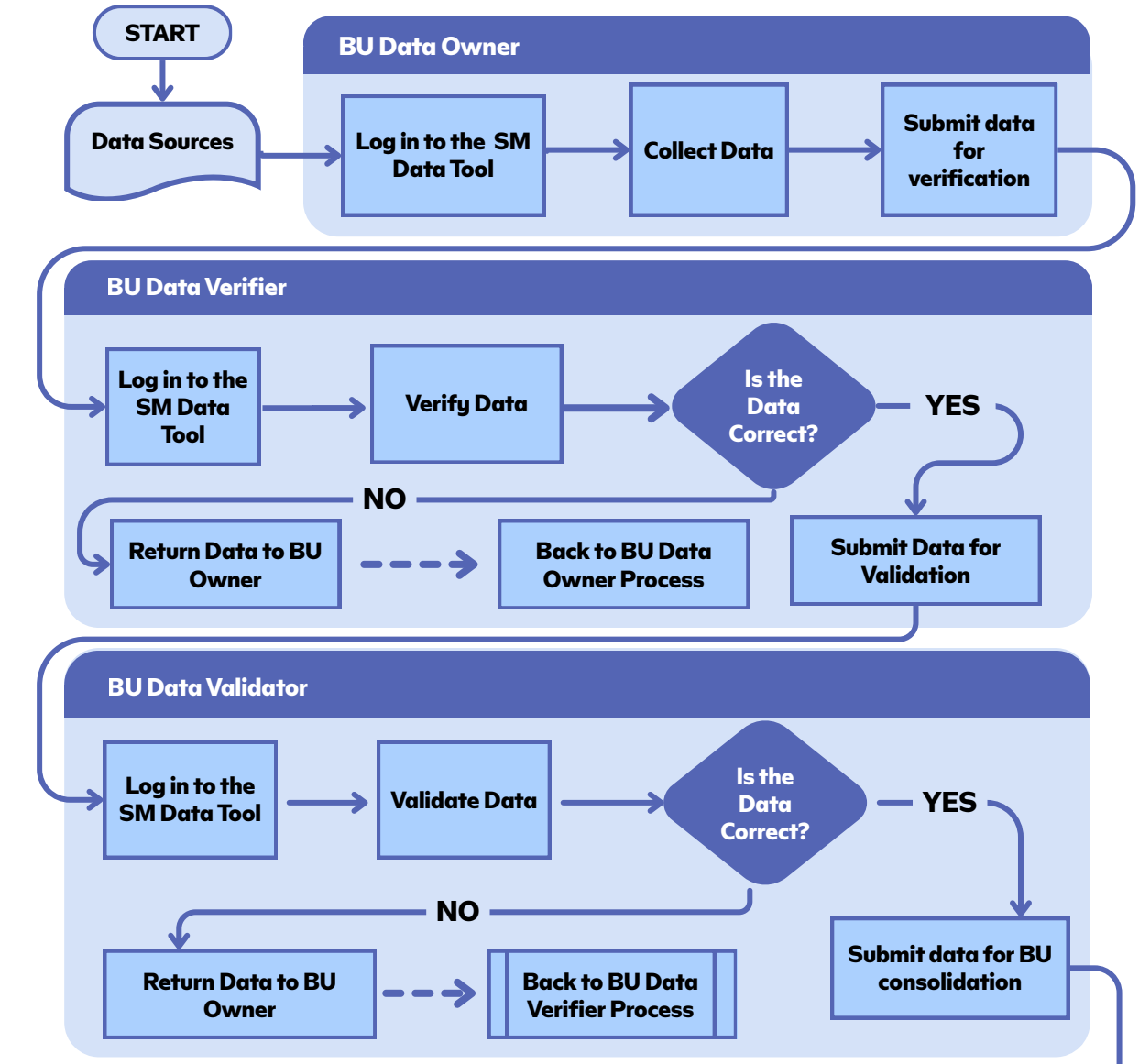
Refer to the Data Tool Handbook for the detailed role responsibilities, workflow actions, status definitions and return paths.

WATCH & LEARN

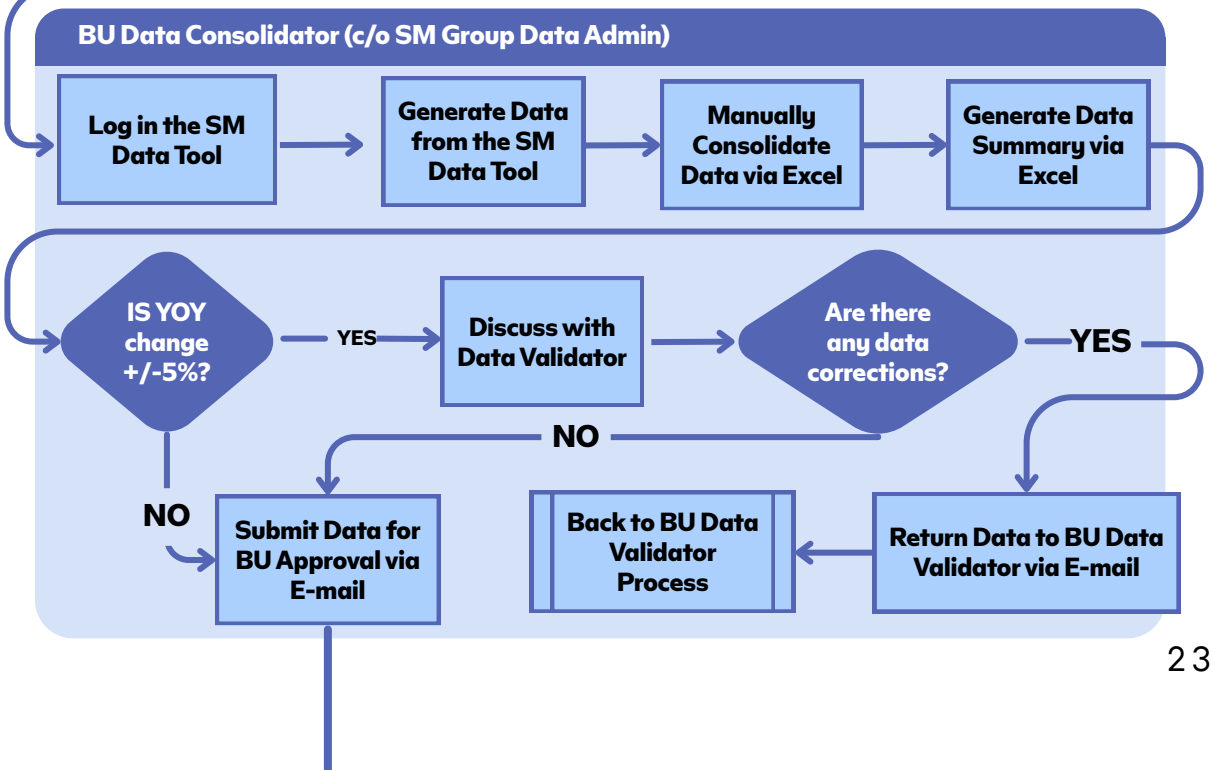
Follow the journey from source data to the final sustainability disclosure. Scan to watch.

Current Workflow

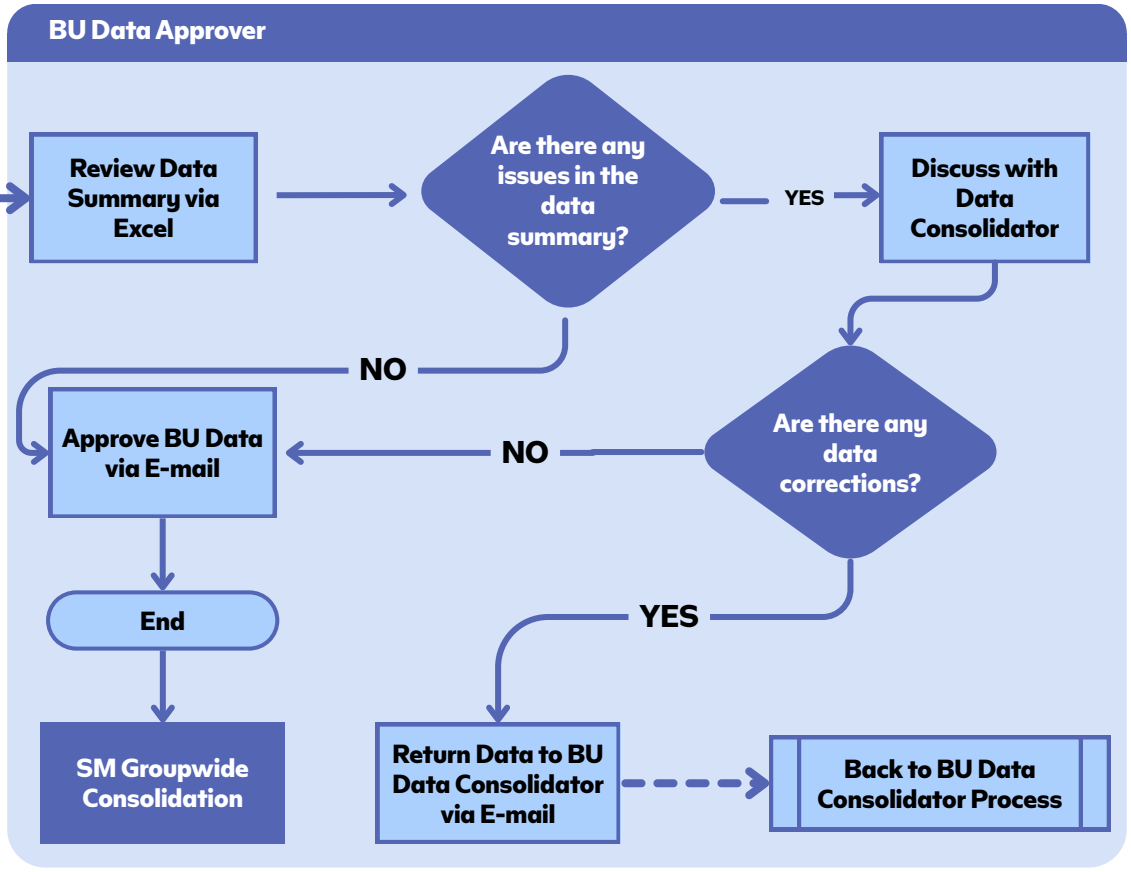
BU Workflow Process (1/2)



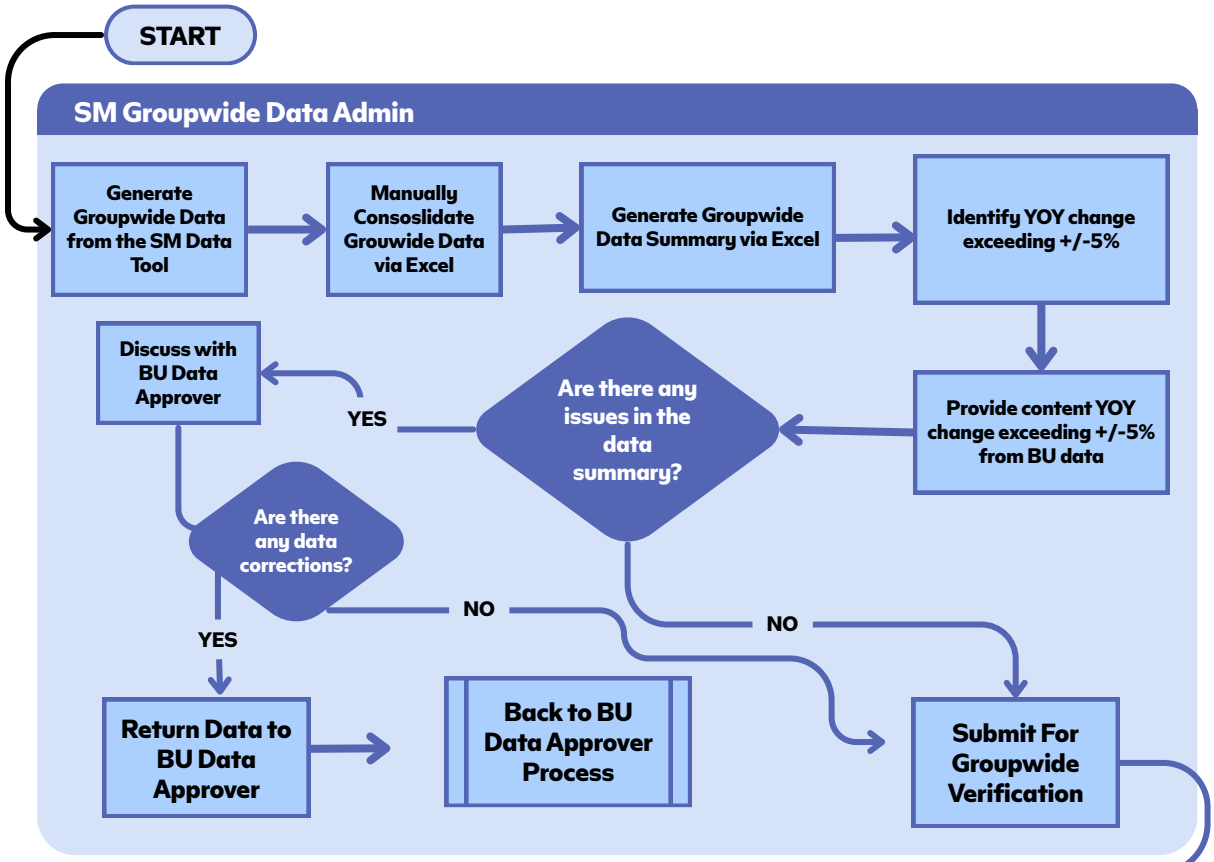
BU Workflow Process (2/2)



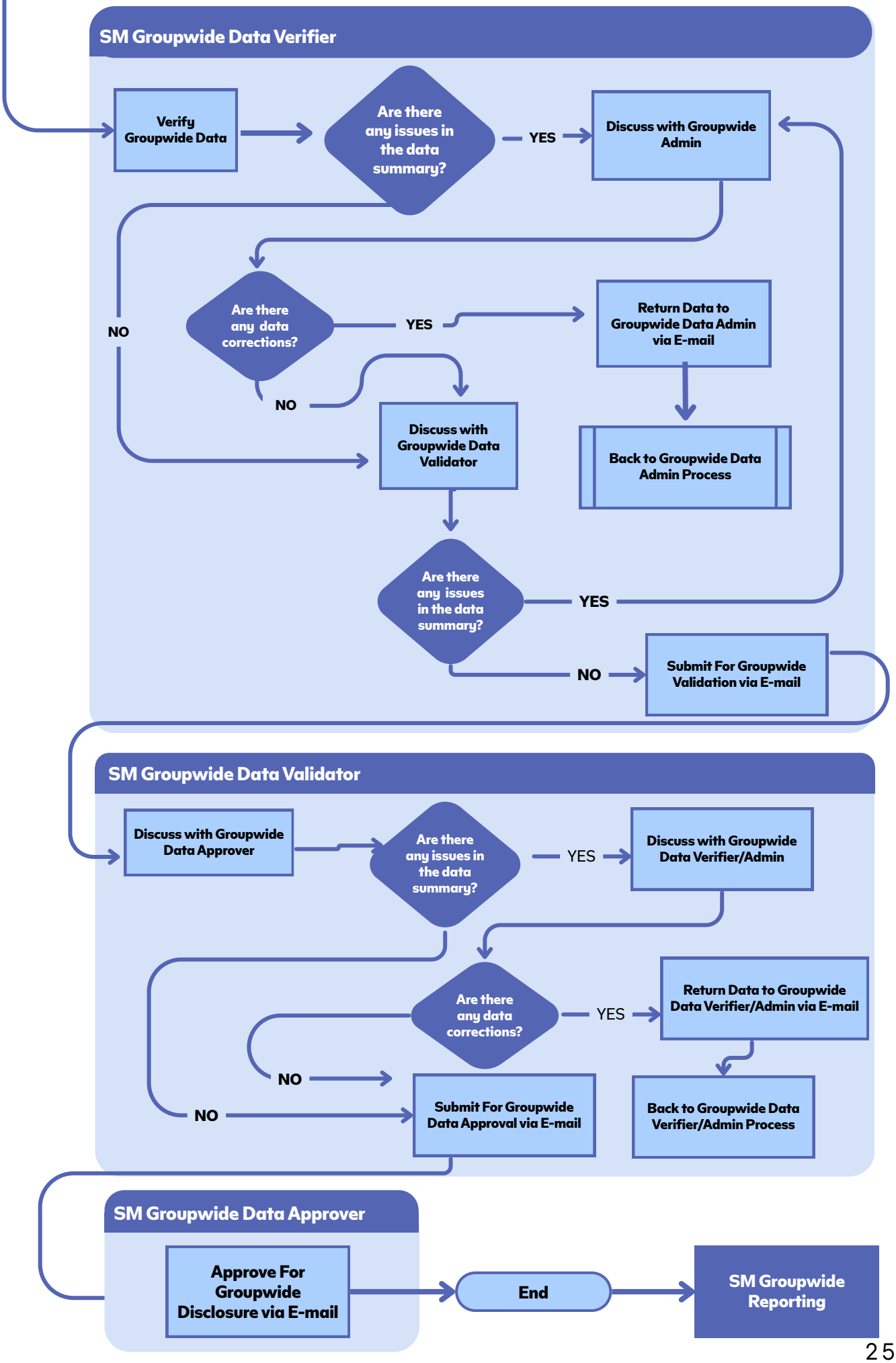
BU Workflow Process (2/2)



SM Groupwide Workflow Process (1/2)

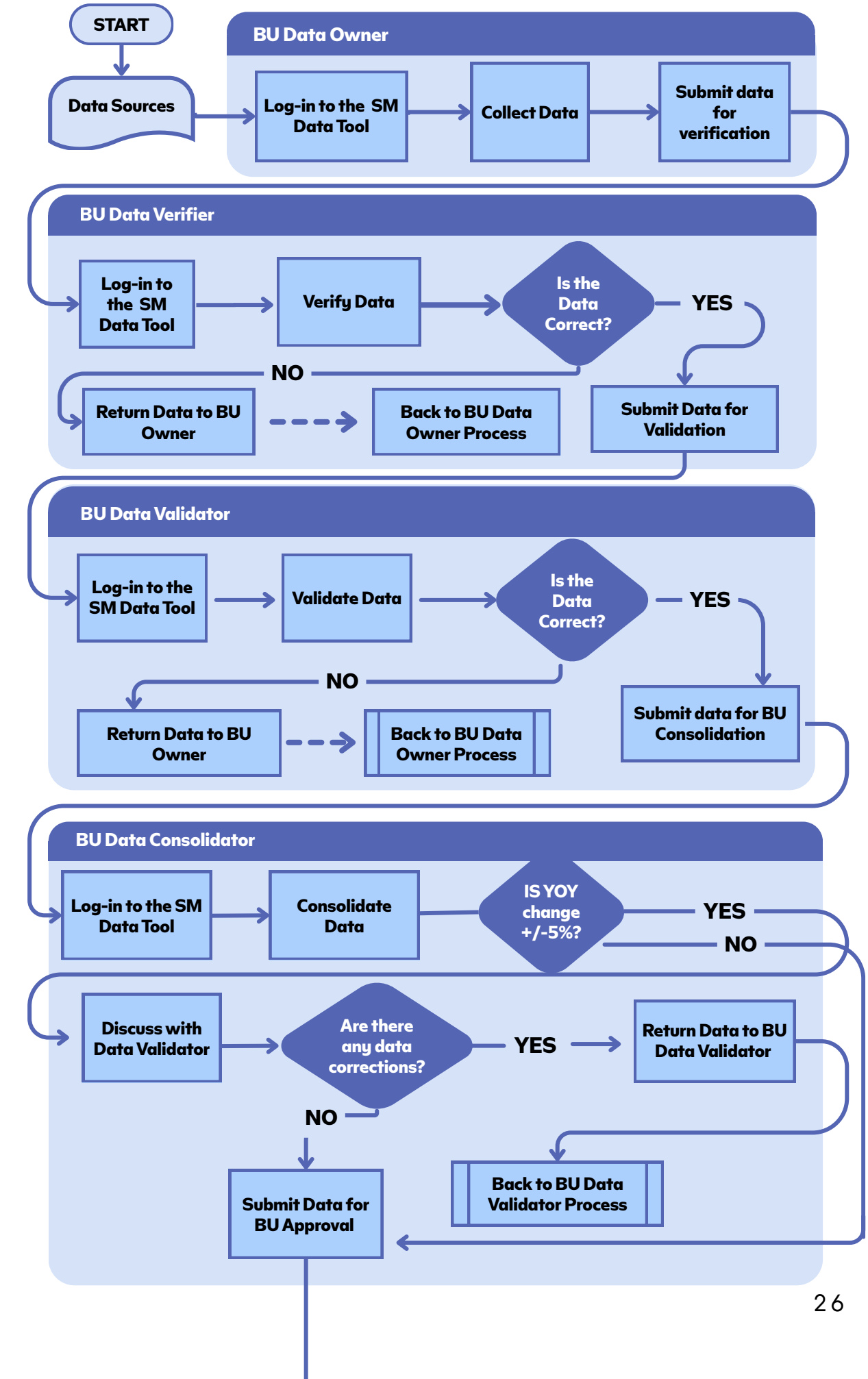


SM Groupwide Workflow Process (2/2)

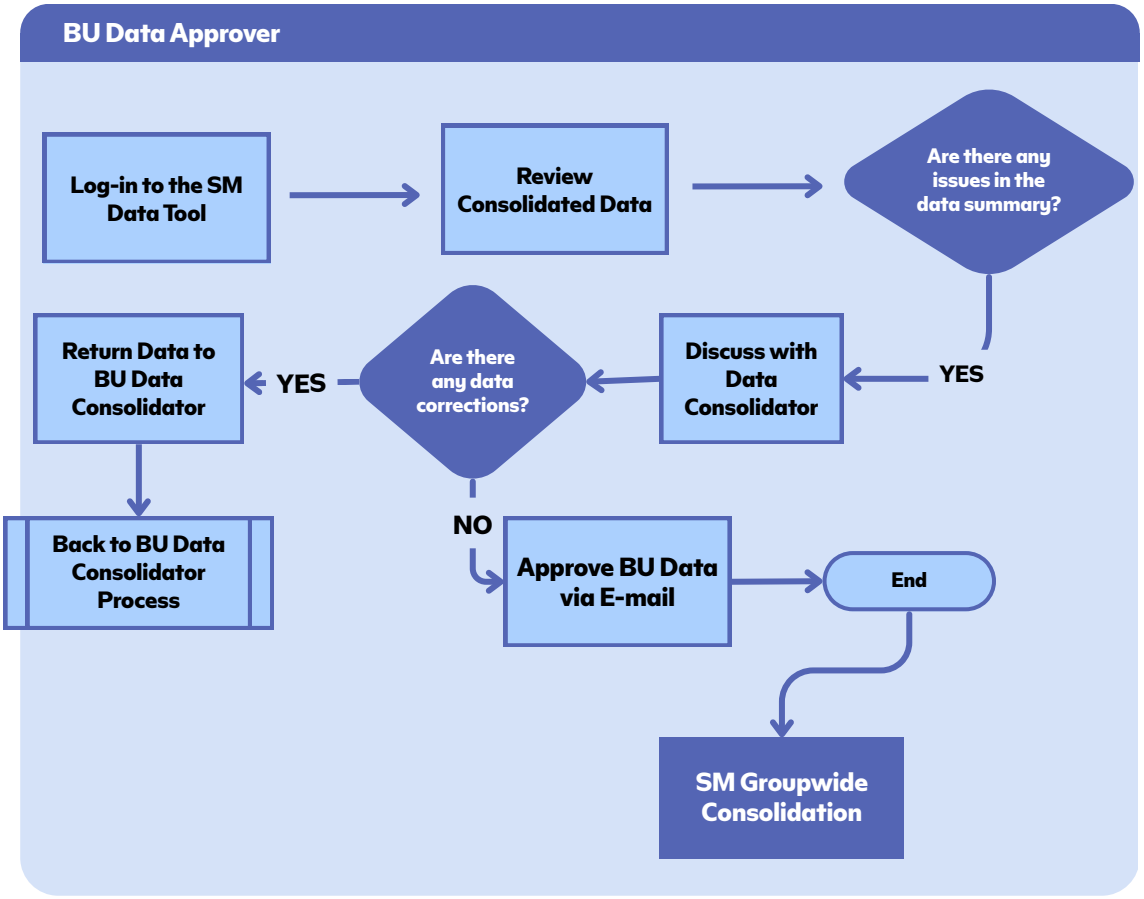


Workflow effective: TBD

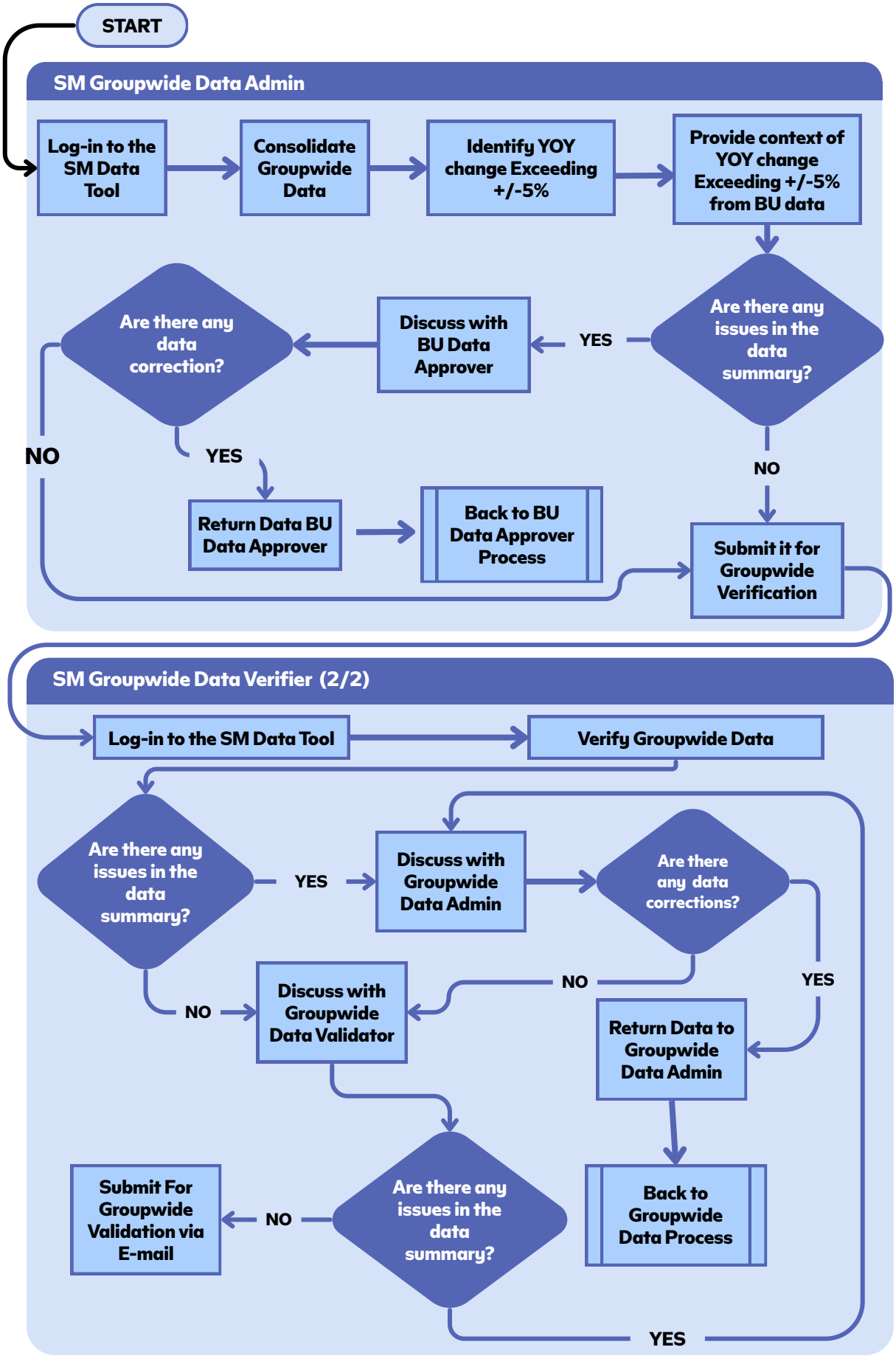
BU Workflow Process (1/2)



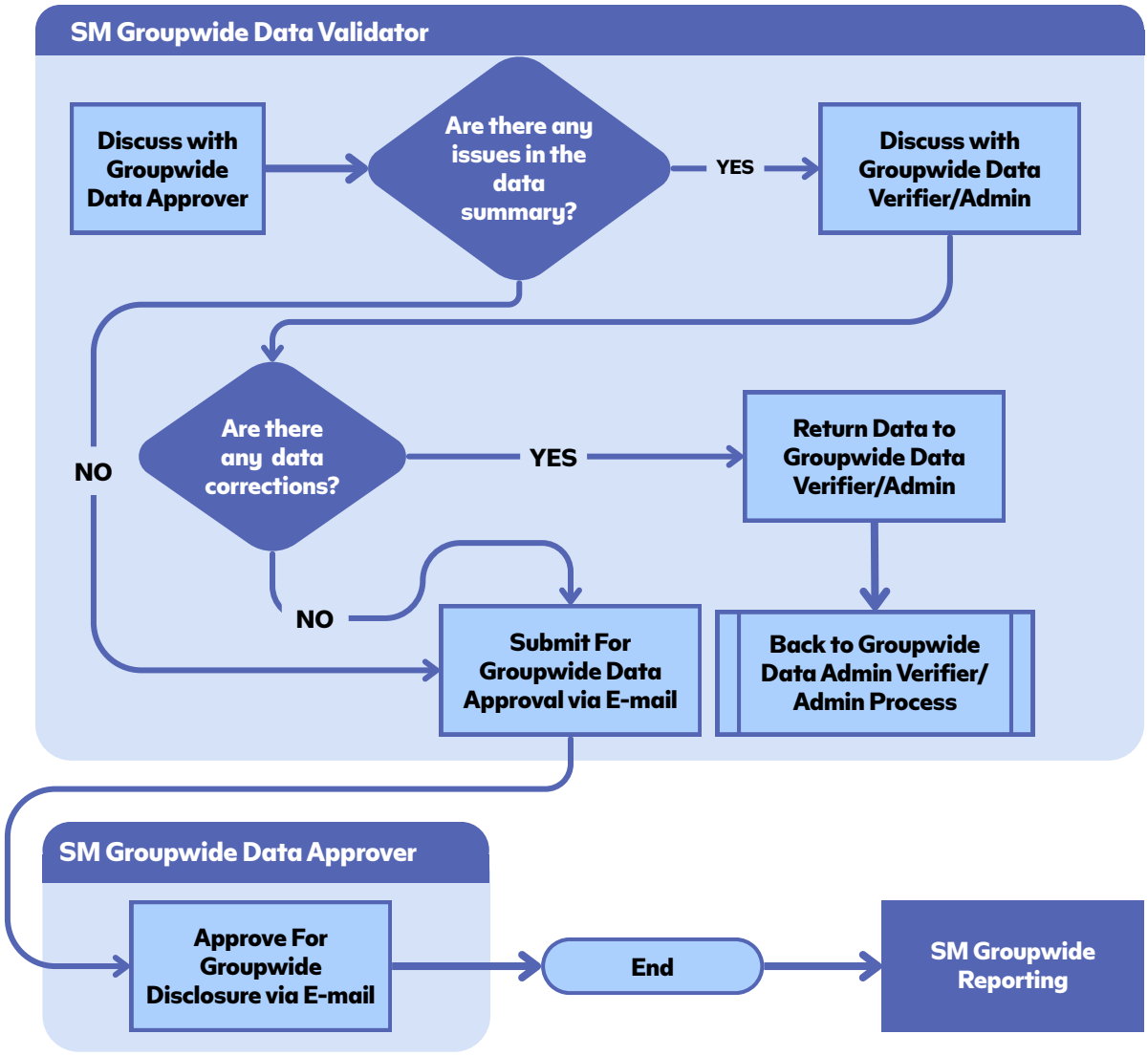
BU Workflow Process (2/2)



SM Groupwide Workflow Process (1/2)



SM Groupwide Workflow Process (2/2)



3.2.3 Sustainability Data Tool Guide

The Sustainability Data Tool is the controlled platform for data submission, verification, validation, consolidation, approval and monitoring. It standardizes how evidence, comments, status and approvals are captured.

This section sets out the sustainability data requirements for Group reporting. For current Sustainability Data Tool forms, field definitions, units, supporting-document requirements and data-entry instructions, refer to the Data Tool Handbook.

3.3 What to Collect: Social, Environmental, Economic, CSR, Community & GHG Data

This section identifies the sustainability information that must be collected across the business, including social, environmental, economic, CSR, community and greenhouse gas data. It explains what each data category should cover, where the information usually comes from and what evidence is needed to make the data clear, consistent, and ready for reporting.

The sustainability data requirements in this section support Group reporting and may extend beyond the specific Data Forms currently configured in the Data Tool. For current Data Forms, field-level requirements and data-entry instructions, refer to the Data Tool Handbook.

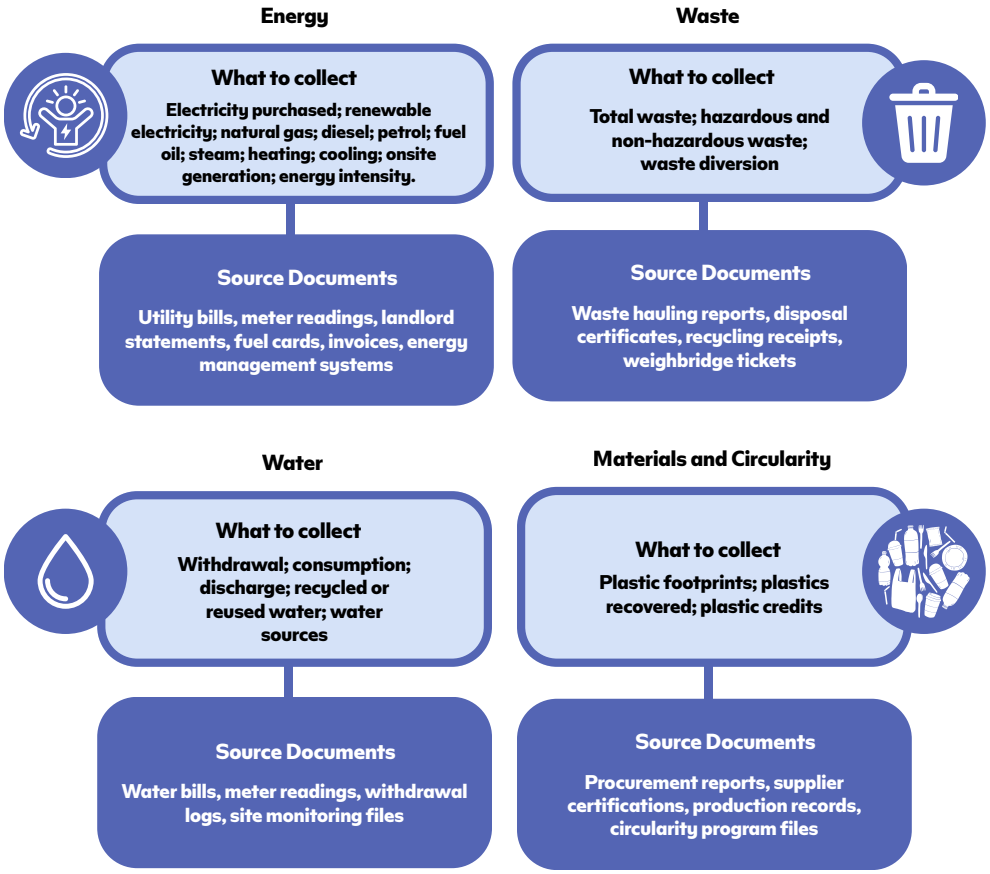
3.3.1 Social Data

Social data relates to people affected by the organization: direct employees, workers in the value chain, customers, communities and other stakeholders. It often requires coordination across HR, legal, compliance, procurement, sustainability, customer-facing teams and site management.

Social Topic	What to collect	Source Document
Workforce composition	Headcount; full-time, part-time, temporary, and contract workers; geography; age; gender; management representation; turnover; new hires	HR system reports, payroll summaries, workforce master files, organizational charts
Diversity and inclusion	Representation across relevant diversity categories (e.g. PWD, citizenship, generation, age, gender)	HR analytics, voluntary disclosure records, board/management composition files
Health, safety and well-being	Fatalities; lost-time injuries; wellbeing programs	Incident reports, safety logs, investigation records, HSE dashboards, organizational campaigns
Training and development	Average training hours; leadership development; sustainability and ethics training; upskilling and reskilling; employee development programs	Learning management system reports, attendance sheets, completion records
Performance evaluation	Appraisal; promotions	HR system reports, organizational charts

3.3.2 Environmental Data

Environmental data covers the organization's impacts and dependencies relating to energy, emissions, water, waste, materials, pollution, biodiversity, and resource use. Methodology is critical because environmental information often requires specific units, conversion factors, estimates, engineering inputs, or third-party data.



3.3.3 Economic Data

Economic data shows how sustainability connects to business performance, resilience, and value creation.

Economical Topic	What to collect	Source Documents
Economic Value Table	Revenue, operating costs, employee wages and benefits, payments to providers of capital, taxes and community investments	Audited financial statements, finance reports, management accounts, tax records, payroll summaries.

3.3.4 CSR and Community Data

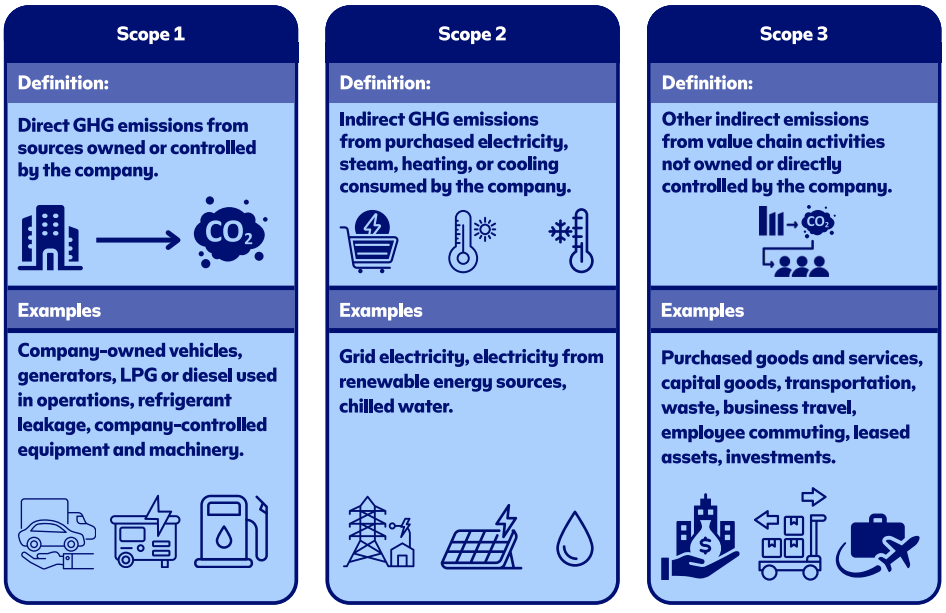
CSR and community data show how the company supports people and places beyond its core operations. It covers programs, partnerships, donations, volunteer work, disaster response, social development initiatives, and the outcomes these activities are meant to support.

CSR Topic	What to collect	Source Documents
Education and capacity-building programs	Scholarships, training sessions, livelihood training, entrepreneurship support, financial literacy, youth programs, and skills development.	Project reports, monitoring sheets, activity documentation
Health, safety and disaster	Medical missions, relief operations, emergency assistance, resilience programs, public safety initiatives, and disaster recovery support.	Project reports, monitoring sheets, activity documentation
Environmental CSR programs	Tree planting, coastal clean-ups, recycling drives, conservation programs, awareness campaigns, and community-based environmental initiatives.	Project reports, site records, partner reports, geotagged photos, activity documentation
Program reach and Beneficiaries	Number of MSMEs, farmers, students, patients or other groups reached	Project reports, monitoring sheets, activity documentation
Employee volunteering	Volunteer hours, number of employee volunteers, activities supported.	HR records, activity reports

3.3.5 Greenhouse Gases (GHG) Accounting Methodology

GHG accounting enables the company to measure, monitor, and report emissions associated with operations and the value chain. The methodology should align with the GHG Protocol Corporate Accounting and Reporting Standard, applicable regulatory requirements and relevant sustainability reporting frameworks including IFRS S2.

A. Scope Definitions



B. Activity Data and Supporting Evidence



Actual or measured activity data should be used whenever reasonably available. Where actual data cannot reasonably be obtained, approved estimation methods may be used, provided the methodology, assumptions, source inputs and limitations are documented.

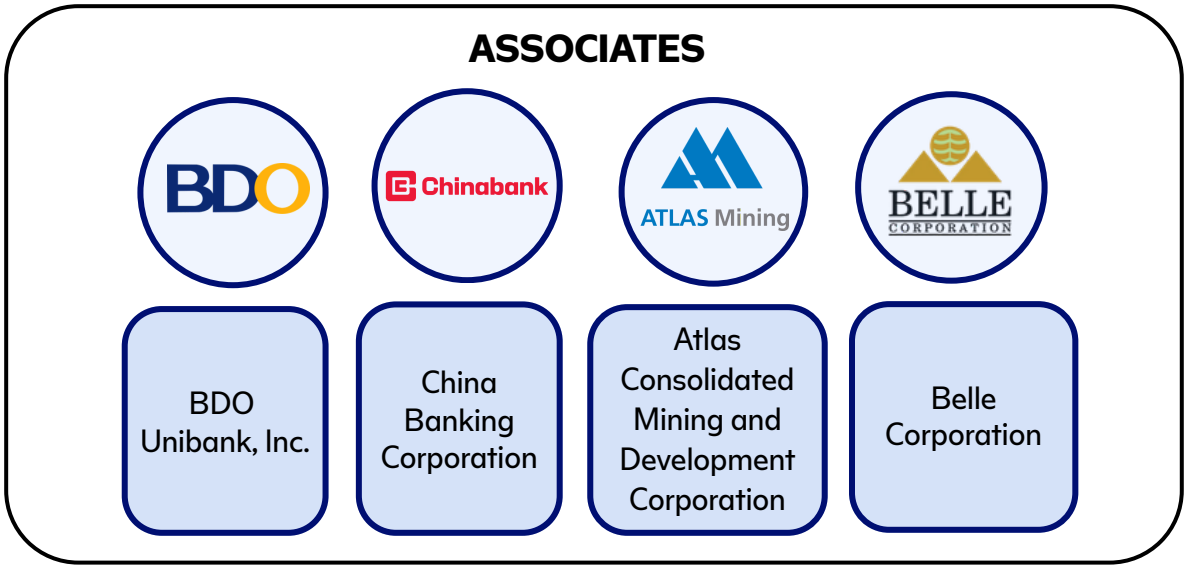
For approved operational estimation procedures and documentation requirements in the Data Tool, refer to the Data Tool Handbook.

C. Coverage and Consolidation Approach

The organizational boundary covers SM Investments Corporation (SMIC) and all subsidiaries included in its annual audited consolidated financial statements.

SMIC uses the operational control approach to define its GHG boundary. Scope 1 and Scope 2 emissions include 100% of emissions from operations where SMIC or a subsidiary has full authority to introduce and implement operating policies, whatever its ownership share. Associates over which SMIC has no operational control, such as BDO Unibank and China Banking Corporation, Belle Corporation and Atlas Mining are excluded from Scope 1 and 2. SMIC's share of their emissions is reported under Scope 3, Category 15 (Investments).





Consolidation screening. The Sustainability Data Management Team shall maintain, and review annually, a consolidation screening that lists each entity in the reporting boundary with: (i) its treatment in SM Investments Corporation's consolidated financial statements under PFRS (subsidiary, associate or joint venture); (ii) SM Investments Corporation's effective ownership interest; and (iii) whether the entity is under operational control and the basis for that conclusion.

D. Key GHG Terms

Term	Definition
Carbon Dioxide Equivalent (CO2e)	A standard metric comparing the global warming potential of one unit of a GHG against one unit of CO2, as introduced by the Intergovernmental Panel for Climate Change (IPCC).
Emission Factor (EF)	A coefficient representing the potential emissions produced by a particular activity.
Global Warming Potential (GWP)	The warming effect of a greenhouse gas compared to CO2 over a specific period (usually 100 years).
Greenhouse Gases (GHGs)	Gases covered by this methodology: CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3. HCFCs and CFCs (Montreal Protocol gases) are reported separately and not counted in Scope 1.
Financed Emissions	Indirect emissions of financial institutions through lending and investment activities; Scope 3, Category 15 (Investments) under the GHG Protocol.
Operational Intensity	A normalized GHG or energy performance indicator (e.g., CO2e or kWh per square meter) measuring emissions relative to operational activity.
Financial Intensity (for banks)	Total financed emissions relative to the total loan portfolio, comparing indirect emissions against a growing portfolio.
Group Data Reporting Tool (Sustainability Data Tool)	The centralized online platform for the collection, validation and consolidation of GHG and ecological data submitted by all BUs.

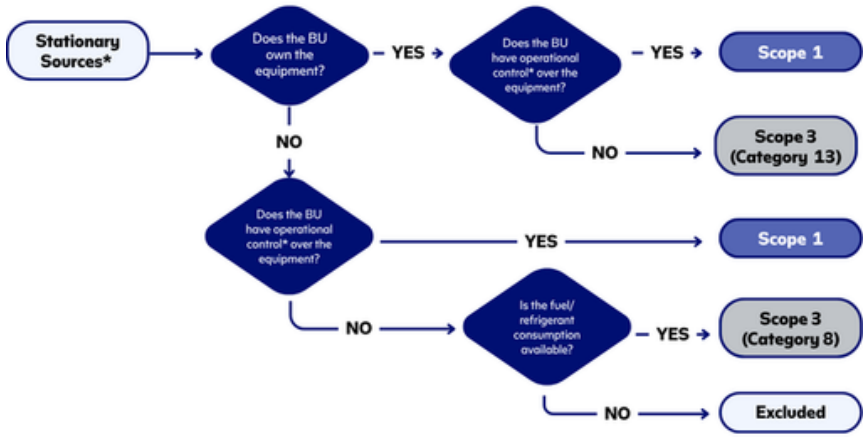
E. Emission Factor Governance

The Group adopts emission factors from the following sources: fuel combustion - GHG Protocol Emission Factors from Cross-Sector Tools (March 2024); refrigerants- IPCC Global Warming Potential values (Assessment Report 6- AR6); electricity in the Philippines - 2022-2024 National Grid Emission Factor (NGEF); electricity in China - GHG Protocol Cross-Sector Tools (March 2024); and supplier-provided factors where applicable. The complete approved list is provided in Annex A.

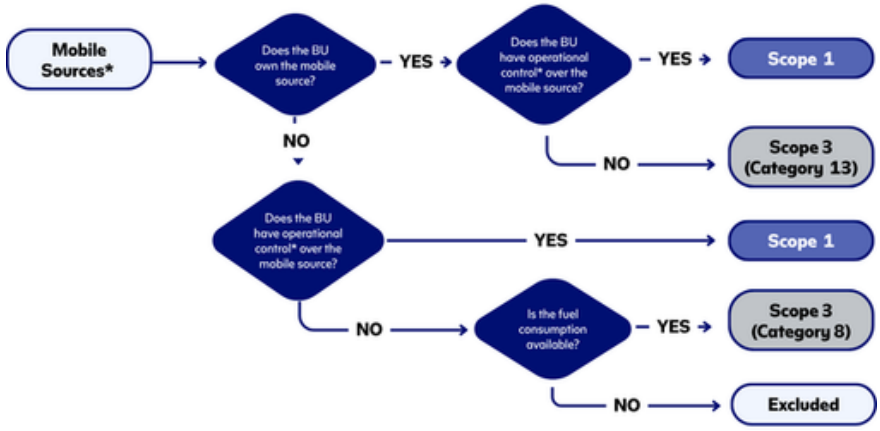
The Sustainability Data Management Team keeps emission factors up to date annually and issues amendments when new official factors are published. BUs shall use only the factors in the latest version of this Handbook and shall not apply other values without its prior approval.

F. Groupwide GHG Decision Logic

Stationary and Mobile Sources



*Stationary sources may include, but not limited to, genset, equipment using LPG, equipment using refrigerant.
**Operational Control: The BU has authority over the scheduling, operations and maintenance of the equipment.



*Mobile sources may include, but not limited to, land transport vehicles, marine vessels.
**Operational Control: The BU has authority over the dispatching, scheduling, routing, maintenance and driver employment (driver should be an employee of the BU).

Fuel and refrigerants: data and scope identification

The primary identifier for classifying Scope 1 fuel and refrigerants is ownership or operational control of the equipment that consumes the fuel or contains the refrigerant. A BU has operational control when it has full authority over the operations of the equipment. For example, directing when a generator runs, scheduling and maintenance, even if the BU does not own the asset. For mobile sources, the BU has authority over the dispatching, routing, maintenance and driver employment. Otherwise, consumption would be classified under Scope 3.

For each fuel activity - generator, transportation, heating and cooking, and other activities - sites capture the fuel bills, fuel type, volume in liters (kilograms for LPG), the equipment or vehicle used, and its ownership or control (BU or lessor). For refrigerants, sites capture the amount charged (top-up, in kilograms) and refrigerant type (e.g., R-22, R-410A) within the reporting year, typically obtained through admin or maintenance records. Where a site uses both gasoline and diesel, gasoline consumption is recorded under Other Activities.

Exclude fuel consumed outside operating hours or outside the BU's operational boundary: ride-hailing and third-party delivery services, employee-owned vehicles (including vehicles under employee car-loan schemes). The purchase price of equipment is likewise excluded.

Fuel and refrigerant calculation steps – Scope 1

Scope 1 emissions are calculated separately for each emission source. Multiply each consumption activity by its CO2, CH4 and N2O emission factors (Annex A) and add the results.

For each fuel activity/type, calculating Scope 1 emissions is done using the formula below:

$$Scope\ 1_{Fuel\ Activity} = (\ Fuel\ Consumption \times EF_{CO2}) + Fuel\ Consumption \times EF_{CH4}) + (Fuel\ Consumption \times EF_{N20})$$

Refer to Annex A for the full list of fuel consumption types and emission factors.

For each refrigerant activity/type, calculating Scope 1 emissions is done using the formula below:

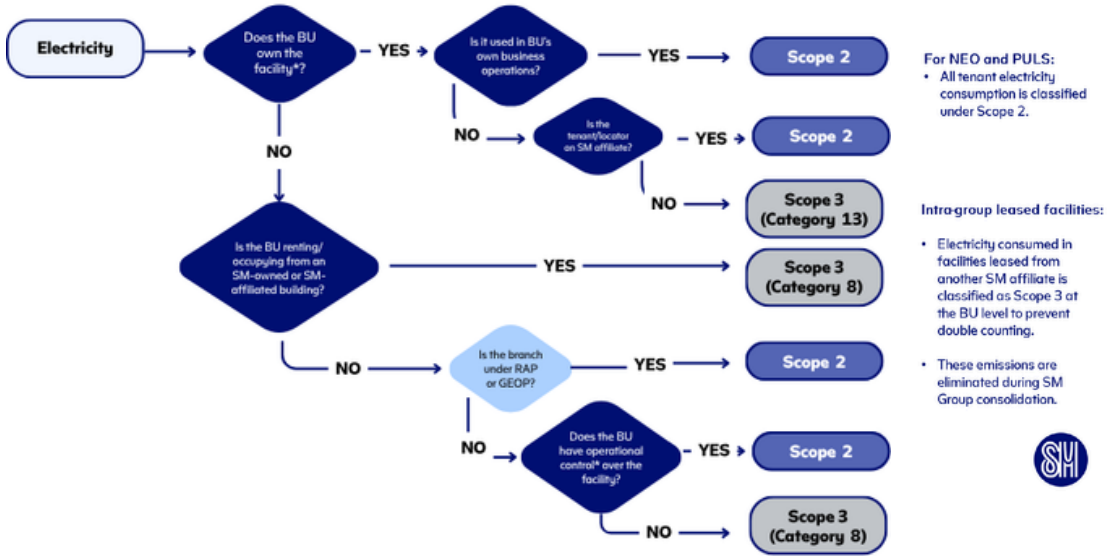
$$Scope\ 1_{\ Refrigerant\ Activity} = (Refrigerant\ Consumption_{Type1} \times EF_{Type1}) + (Refrigerant\ Consumption_{Type2} \times EF_{Type2}) + \ldots + (Refrigerant\ Consumption_{TypeN} \times EF_{TypeN})$$

Refer to Annex A for the full list of refrigerant consumption types and emission factors.

To get the total Scope 1 emissions, add all Scope 1 activities across all sites covered.

$$Total\ Scope\ 1 = Sum\ of\ all\ Scope\ 1_{Fuel\ Activity}\ across\ all\ locations + Sum\ of\ all\ Scope\ 1_{Refrigerant\ Activity}\ across\ all\ locations$$

Electricity



*Facility may include, but not limited to, building, office, branch, store, warehouse, hub.
**Operational Control: The BU has authority over the facility's electricity procurement and HVAC solutions/ operations.

Electricity: data and scope identification

Sites capture electricity bills, actual consumption in kWh, the utility provider, and any contractual instrument in place (e.g., Retail Aggregation Program (RAP), Retail Competition and Open Access (RCOA), Green Energy Option Program (GEOP)). The scope classification of grid-purchased electricity depends on premises ownership or operational control, where operational control means the BU has authority over the facility's electricity procurement and HVAC solutions/operations.

For NEO and PULS, the BU exercises operational control over the entire building, so all electricity consumed on-site, including tenants' consumption, is classified under Scope 2. Similarly, electricity sourced through RAP is automatically classified as Scope 2, since the supply contract and billing are in the BU's name, confirming direct accountability and operational control.

Any SM business unit (BU) that owns a building accounts under Scope 2 for its own electricity consumption and that of SM-affiliated tenants occupying that building. SM Prime, as the group's primary owner of mall and commercial properties, is a common example of this. By contrast, electricity consumed in facilities that a leasing BU occupies under another SM affiliate is classified under the leasing BU's Scope 3, since operational control rests with the owning BU rather than the leasing BU. This same electricity is reported under Scope 2 by the owning BU, so the leasing BU's Scope 3 classification avoids double-counting at that level. The same treatment applies to electricity sourced through RCOA, since the supply contract is held under the owning BU's (e.g., the SM mall's) name rather than the leasing BU's. To avoid overstatement at the group level, these leasing BU-level Scope 3 emissions (from upstream and downstream leased assets involving SM affiliates) are eliminated during groupwide consolidation.

All electricity consumption of BDO's corporate offices, branches, and data centers will be recorded as Scope 2, except for BDO operations within SM-affiliated properties, which will be recorded under BDO's Scope 3. For Chinabank, scope identification on electricity is based on aircon centralization.

Electricity calculation steps – Scope 2

Scope 2 is calculated and disclosed using both methods: location-based, applying the grid emission factor for the facility’s location (e.g., Luzon, Visayas, Mindanao); and market-based, applying the factor for the electricity source (renewable or non-renewable). In both cases:

Calculating Location-Based Emissions:

1. Determine the location of the facility (Luzon, Visayas, Mindanao, China, Hong Kong, Singapore)
2. Use the appropriate Emission Factor for the location (see ANNEX A)
3. Calculate Scope 2 of each facility using the formula indicated below:

$$Scope\ 2_{Facility} = (Electricity\ Consumption \times EF_{Location-Based})$$

4. Add all Scope 2 emissions for each facility in each location to get the total Scope 2 emissions:

$$Total\ Scope\ 2 = Sum\ of\ all\ Scope\ 2_{Facility}\ across\ all\ locations$$

Calculating Market-Based Emissions:

1. Determine the location of the facility (Luzon, Visayas, Mindanao, China, Hong Kong, Singapore)
2. Determine the electricity type of office/branch (Renewable, Non-Renewable)
3. Use the appropriate Emission Factor for the location (see ANNEX A)
4. Calculate Scope 2 using the formula indicated below:

   For Renewable Energy Facilities:

$$Scope\ 2_{RE\ Source} = (\ Electricity\ Consumption_{RE\ Source} \times EF_{Market-Based}\ )$$

   For Non-Renewable Energy Facilities:

$$Scope\ 2_{Non-RE\ Source} = (\ Electricity\ Consumption_{Non-\ RE\ Source} \times EF_{Location-Based}\ )$$

5. Add all Scope 2 emissions for each facility in each location to get the total Scope 2 emissions:

$$Total\ Scope\ 2 = Sum\ of\ all\ Scope\ 2_{RE\ Source}\ across\ all\ locations + Sum\ of\ all\ Scope\ 2_{Non-\ RE\ Source}\ across\ all\ locations$$

Self-generated solar electricity and purchased renewable energy under Power Purchase Agreements (PPAs), Renewable Energy Certificates (RECs) or similar instruments carry a factor of zero, provided the associated attributes or certificates are retained. For RCOA facilities where part of the electricity is renewable, apply the supplier-specific factors for the renewable share (hydro, geothermal, solar) and grid factors from the location-based method to the remainder.

Business-travel Related GHG Emissions

For business travel (Scope 3), the travel desk or admin provides the departure and arrival city/airport (including layovers), cabin class and number of employees on the same flight. Work-related flights are assumed to be round-trip; personal travel is strictly excluded.

Scope 3 business travel is obtained by entering the flight information into the International Civil Aviation Organization Carbon Emissions Calculator (https://icec.icao.int/calculator), which returns the total kg CO2 per journey. Total Scope 3 from air travel is the sum across all flights, divided by 1,000 to convert to tCO2.

Waste-Related GHG Emissions

SM accounts for GHG emissions arising from waste generated in its operations under Scope 3 in accordance with the GHG Protocol.

Waste-related emissions shall be calculated using the following formula:
GHG Emissions (tCO_2e) = Waste Quantity (tons) × Applicable Emission Factor (tCO_2e/ton), where Waste Quantity refers to the actual weight or volume of waste generated and disposed during the reporting period and Emission Factor refers to the recognized factor corresponding to the waste type (eg. paper, plastics) and treatment method (e.g., landfill or recycling,) coming from official references such as IPCC.
The total GHG emissions from waste shall be the sum of emissions from all waste streams and disposal methods during the reporting year and shall be reported in metric tons of carbon dioxide equivalent (tCO_2e).

For post-consumer plastics packaging waste reported to the DENR, corresponding tCO2e may be calculated by inputing the generic plastic waste quantity into the Plastic Life Cycle Assessment Calculator for the Environment and Society
(https://places.thecirculateinitiative.org/).

EEIO Spend-based Estimation in Absence of Supplier Activity Data

Where supplier-specific data (e.g. fuel consumption or other activity data) are unavailable despite reasonable efforts to obtain them, the BU may temporarily apply a spend-based estimation methodology to quantify GHG emissions.

It will only be used as an interim estimation approach and shall not replace a long-term objective of obtaining supplier-specific activity data which remain the highest quality of GHG information. We expect business units to continuously engage service providers and partners to improve data availability in future reporting requirements. The BU shall document the specific activity data sought, the reason the primary data could not be obtained and the assumptions made in the calculation of the specific activity data provided.

Spend-based calculations can use Extended Input-Output (EEIO) emission factors such as the US EPA or the EXIOBASE, approved by the Sustainability Team. The selected emission factor, reporting year, currency basis and other assumptions shall be documented to support transparency and assurance requirements.

Example: Cash-in-Transit service (Armored Cars)

GHG emissions = Contract Expenditure x EEIO EF (.087 $kgCO_2e$ per USD, as per US EPA EEIO database)

EEIO spend-based emissions estimation is distinct from operational estimation methods used to derive activity data for reporting in the Data Tool. Refer to the Data Tool Handbook for the applicable operational estimation procedures.

G. Uncertainty

Our GHG calculations are inherently subject to uncertainty due to data availability, data estimation techniques, data quality and emission factor selection.

The Sustainability Data Management Team shall maintain a record, for each reporting period: (i) the percentage of total Scope 1, Scope 2 and Scope 3 emissions derived from primary/supplier-specific activity data versus spend-based or other estimated data, by BU and in aggregate; (ii) the emission sources or BUs where estimation was applied and the reason; and (iii) any known data quality limitations material enough to affect trend interpretation. This record shall be maintained as a standing worksheet ("Estimation & Uncertainty") updated each reporting cycle.

H. Quick reference: scope classification summary

	Data type	Scenario
Scope 1	Fuel / Refrigerants	Company-owned equipment used in operations with operational control
Scope 1	Fuel / Refrigerants	Leased equipment with operational control
Scope 3	Fuel / Refrigerants	Third-party-operated equipment/vehicles
Scope 3	Fuel / Refrigerants	Equipment that uses fuel/ refrigerant inside an SM affiliate building/facility
Scope 2	Grid Electricity	Company-owned facility (includes self-generated electricity and facilities under RAP)
Scope 2	Grid Electricity	Leased, with operational control
Scope 3	Grid Electricity	Leased, with no operational control
Scope 3	Grid Electricity	Facility inside an SM affiliate building/facility (any setup; includes malls under RCOA)

3.3.6 Operational Metrics and Targets

This section provides the climate target for SM Group and the respective operational intensity targets per BU by GHG scope.

Normalization of GHG Intensity Metrics

Because absolute emissions may rise or fall depending on business growth, production, route activity or facility count, we need normalized GHG intensity metrics to show whether emissions performance is genuinely improving relative to operational activity. These efficiency gains will be our operational pathway and tracker to achieve the groupwide absolute reduction target of 40% for Scopes 1&2 by 2040, using 2019 as our baseline. The 2019 baseline is recalculated in accordance with 3.4.2 when structural or methodological changes meet the significance threshold.

As a rule, GHG intensity shall be normalized using the activity driver that best reflects the source of emissions. The selected denominator must have an operational relationship to the energy or fuel use and must be measurable and available across the reporting period.

For instance, building-related emissions should be normalized by floor area or occupancy related activity while transport-related emissions should be normalized by distance, trips or service activity; equipment-related emissions should be normalized by operating hours or output; and production-related emissions should be normalized by units of output or tonnage.

Emission Factors	Coverage	Preferred GHG Intensity Metric	Alternative/ Secondary Metric	Notes and Assumptions
Electricity-related emissions	Offices, malls, branches, retail stores, warehouses and similar facilities.	kg CO_2e per square meter of built-up area.		Built-up area refers to the total developed area including parking spaces.
Stationary fuel-related emissions	Diesel, gasoline, LPG, bunker fuels and other fuels used in generators and other stationary equipment	kg CO_2e per operating hour or kg CO_2e per kWh (if missing operating hours)	Get the raw through: Purchased Fuel – Left Inventory = Consumed. Then, get emissions of kg CO_2e per kWh.	If runtime data is not available, first convert fuel cost to estimated liters. We can estimate the kWh by multiplying estimated liters by thermal efficiency conversion factor (9.85 kWh/liter) x genset efficiency. The resulting kWh maybe used as the operational output energy (kWh).
Mobile fuel related emissions	Diesel, gasoline or other fuels used in fleet vehicles, transport equipment and service vehicles	kg CO_2e per kilometer travelled	Get the raw data through: Purchased Fuel / Average Consumption of Fleet Vehicle (e.g., Grandia said it runs 10km/L). Then, get the kilometer run of the fuel loaded to compute for the kg CO_2e per kilometer travelled.	If distance data is unavailable, convert fuel cost to estimated liters. Estimate distance traveled by comparing estimated liters with vehicle's published fuel economy (km/liter).
Logistic ships and marine transport emissions	Ships and other marine transport assets	kg CO_2e per ton-nautical mile		
Refrigerant-related emissions	Facilities using air-conditioning and refrigeration systems	kg CO_2e per square meter of cooled built-up area	Annual leak rate (%) = refrigerant added (kg)/total charge capacity (kg). This leak rate may be converted to GHG emissions by estimating the quantity of refrigerant lost based on total charge capacity (leak rate x total charge capacity) then converting the loss into CO_2e using the applicable Global Warming Potential (GWP).	In the absence of leakage incident records, refrigerant-related emissions shall be estimated based on refrigerant top-ups treated as proxy for leakage unless evidence shows otherwise. If refill records are missing, use equipment-based estimates from maintenance contractors.
Waste-related emissions	Solid waste disposal, treatment or diversion	kg CO_2e per kilogram of waste generated		
Production-related emissions	Manufacturing or processing operations	kg CO_2e per unit produced		If product mix varies significantly, standard production units may be used, provided that the basis is clearly defined. For example, the business unit decides that one small pack is one unit, another product is equivalent to two units, etc.
Mining-related emissions	Mining operations, including emissions from electricity, diesel, explosives, mobile equipment and stationary plant	kg CO_2e per ton of ore mined	CO_2e emissions per operating hour	If mine output fluctuates for operational reasons, a supporting asset level metric such as can be used. This can help show whether the change is due to inefficiency or just changed conditions in the mining area.

To further guide the BUs in setting up their respective operational targets, the table below identifies the regional benchmarks for energy and other environmental indicators.

Table 1. ASEAN Building Energy Efficiency Index (BEEI) Reference Values[2]

SM Business Unit / Facility Type	Category	BEEI	Unit
SM Offices	Office	≤ 200	kWh/m^2/year
Bank Offices	Office (Banking)	≤ 200	kWh/m^2/year
Retail Stores	Retail	≤ 240	kWh/m^2/year
SM Malls / Recreation Facilities	Retail (Large Commercial Building)	≤ 240	kWh/m^2/year
SM Hotels	Hotel	≤ 300	kWh/m^2/year

Table 2. Industrial Energy Use Intensity (EUI) Reference Values (ERIA 2023)[3]

SM Business Unit / Facility Type	Industry	EUI	Unit
Manafacturing	Food	3.14	MJ/kg

Note: This study adopts the Energy Utilization Index (EUI) methodology developed by DOE and ERIA (2023). The indicative EUI values presented in the report are used as reference values for comparison. However, they are not considered official national benchmark standards.

[2] ASEAN Centre for Energy. (2023). ASEAN Energy Awards 2023 report: Best practices in energy efficiency and conservation. ASEAN Centre for Energy. https://aseanenergy.org/static/upload/2023-report-best-practices-in-energy-efficiency-and-conservat...

[3] Kimura, S., Meng, L. S., & Setyawati, C. E. N. (Eds.). (2023). Conducting Energy Consumption Survey and Establishing Energy Efficiency Indicators for the Industrial and Commercial Sectors of the Philippines. ERIA Research Project Report FY2023 No. 15. Economic Research Institute for ASEAN and East Asia (ERIA). https://www.eria.org/uploads/Conducting-Energy-Consumption-Survey-Philippines.pdf

3.4 Corrections, Restatements and Data Lock

This section covers what happens when a number changes after it has been submitted, reviewed or published. Any correction should have a reason, a reviewer, an approver and a visible trail.

Area	Required action
Correction before publication	The affected data are corrected and resubmitted through the applicable Sustainability Data Tool workflow. All affected downstream review and approval stages should be completed before the corrected data are used for reporting. Refer to the Data Tool Handbook for detailed return paths and resubmission procedures.
Correction after publication	The Sustainability Data Management Team assesses whether a formal restatement is needed. The assessment should consider size, trend impact, target impact, assurance scope, regulatory implications and the risk of misleading stakeholders.
Restatement log	Document the original value, corrected value, reason, indicator, reporting year, date identified, person or team identifying the issue, approval and disclosure treatment.
Data lock	After final review, set a data lock date. No change should be made after lock without formal approval, a documented reason, updated review and consistency checks across report tables and charts.

WATCH & LEARN
See why data corrections, documentation and data lock matter to the integrity of the report. Scan to watch.

3.4.1 Restatement Criteria

Restate prior-period data when the correction meets any of these tests:

- Changes a reported figure by more than 5%
- Affects the interpretation of year-on-year trends
- Impacts progress against disclosed targets
- Affects material disclosures

The Sustainability Data Management Team shall maintain a record of restatements, with appropriate confirmation and approval from the affected BU.

3.4.2 Base-Year Recalculation Policy

Base-year (2019) Scope 1 and Scope 2 emissions, and the emissions of intervening years presented for comparison, are recalculated when one or more of the following changes, individually or cumulatively, change base-year emissions by 5% or more:

- Structural changes: acquisitions, divestments, mergers, or the inclusion or removal of an entity or operation in the reporting boundary, including a change resulting from a change in consolidation approach;

- Changes in calculation methodology or emission factors, or improvements in the accuracy of data, that significantly change base-year emissions;

- Discovery of a significant error, or of several errors that are collectively significant.

Recalculation is not required for organic growth or decline, such as changes in production or the opening and closing of facilities. Where base-year data are not available for an acquired operation, its base-year emissions are estimated using an approved method and the estimate is disclosed. Recalculated base-year emissions should not be overstated.

Each recalculation is documented with the trigger, the entities and sources affected, the original and recalculated values, and the method used.

3.4.3 Data Lock Discipline

Data lock is the point where the numbers stop moving. It gives the reporting team, management and assurance providers one agreed dataset to work from.

Control Point	What to confirm before lock
Final data review	All required indicators are complete, reviewed, approved and supported by evidence.
Open issues	Clarifications, missing evidence, formula questions and material variances have been resolved or formally documented.
Consistency check	The same final figures are used in the data tool, consolidated file, report tables, charts, dashboards and assurance files.
Change control	Any change after lock is approved, documented, rechecked and reflected wherever the figure appears.
Version history	The final locked file shows the version number, date, owner, reviewer, approver and reason for any post-lock movement.

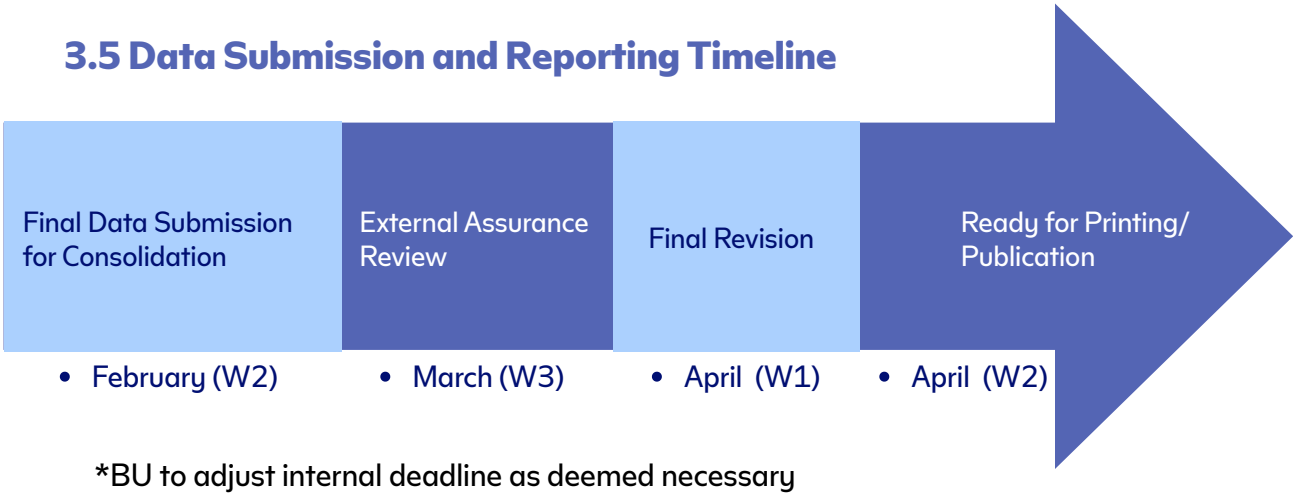
Where the Data Tool includes a final approval or lock status, the applicable system control should be used in accordance with the Data Tool Handbook.

3.5 Data Submission and Reporting Timeline

The sustainability reporting timeline establishes the overall schedule for data collection, review, consolidation, assurance, report preparation and publication.

The timeline below sets out the overall Group sustainability reporting cycle. Specific Sustainability Data Tool submission deadlines are communicated separately by the SM Group Sustainability Office and should be completed in accordance with the prescribed reporting calendar.

3.5 Data Submission and Reporting Timeline



*BU to adjust internal deadline as deemed necessary

Each BU establishes internal data collection processes and deadlines aligned with the Group reporting calendar, with its Sustainability/ESG Department serving as the primary point of contact for sustainability data collection and submission. Environmental data are submitted monthly, while HR, Economic and CSR data are submitted annually, unless otherwise communicated by the SM Group Sustainability Office.

For current Data Forms, required fields, supporting documents and submission procedures, refer to the Data Tool Handbook.

Sustainability data should be based on the highest-quality source reasonably available and supported by appropriate evidence. Where actual data are unavailable by the applicable reporting deadline, estimates may be used only in accordance with approved estimation procedures.

Refer to the Data Tool Handbook for approved data sources, supporting-document requirements, estimation procedures and related documentation requirements.

3.6 Data Reporting Channels

HR, Environmental, CSR and Economic data flow through three channels, consistent with the timelines above and applicable disclosure requirements:

Channel	What is reported
Group Data Reporting Tool (Sustainability Data Tool)	The central repository of all HR, Environmental, CSR, and Economic data; site and BU submissions, review, validation, consolidation and approval take place here in accordance with the applicable workflow. Refer to the Data Tool Handbook for detailed submission, workflow, user role and consolidation requirements Note: SM Prime, BDO, Chinabank submit consolidated data reported in the Sustainability Data Tool
BU Sustainability reports	Each BU discloses, in its Annual Sustainability Report, Integrated Report or equivalent, its total Scope 1, Scope 2 and material Scope 3 emissions (tCO_2e); operational intensity (and financial intensity, for banks); and key emission-reduction initiatives, consistent with the data submitted through the Sustainability Data Tool.
SM Investments Sustainability Report	SM Sustainability Data Management Team consolidates approved BU submissions and publishes year-on-year aggregated Scope 1, 2 and 3 emissions. Progress against disclosed targets is also reported, where applicable.

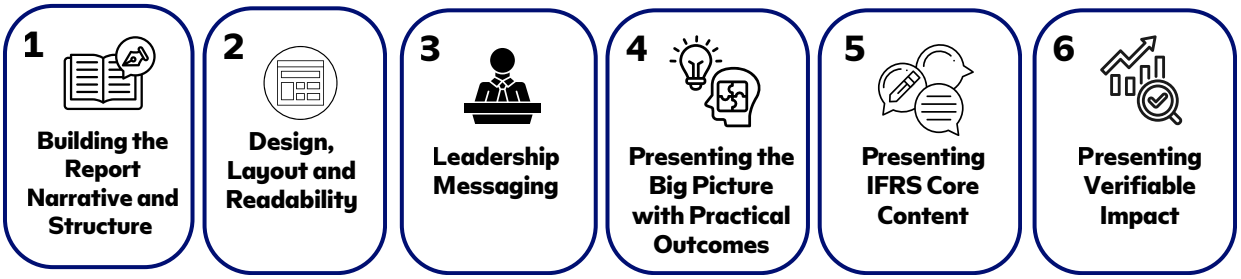
04

WRITING YOUR SUSTAINABILITY STORY

How to prove it stands up to scrutiny



SECTION 4:



A sustainability report is more than a compliance document. It explains how sustainability-related risks and opportunities affect strategy, operations, decision-making and long-term value creation. For diversified groups such as SM, sustainability information comes from many business units, functions and operations. The role of the report is to bring these together into one coherent and readable narrative.

Strong sustainability writing is less about sounding impressive and more about being clear, balanced and worth reading.

4.1 Building the Report Narrative and Structure

A good sustainability report does not begin with design. It begins with **clarity**.

Before drafting sections or collecting disclosures, the company should first decide what story the report is trying to tell. The strongest reports are built around a clear message that connects the year's material topics, business priorities, risks and progress into one coherent narrative.

The theme gives the report direction. It may reflect priorities such as:



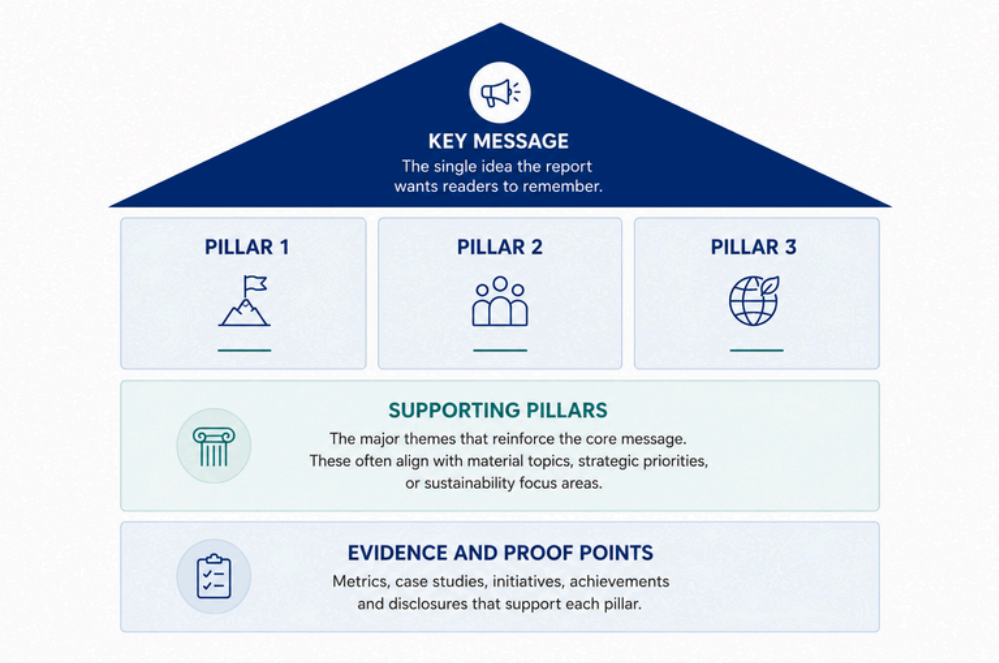
The report structure, messaging and visuals should consistently support the chosen theme.

Building a Connected Narrative

A sustainability report should read as one connected business story. This is best achieved by developing a Message House before drafting begins.

A **Message House** helps align reporting teams around one central narrative, ensuring that disclosures, case studies, metrics, leadership messages and visuals consistently reinforce the same story.

While business units may contribute different content, all disclosures should ultimately support a shared message about how sustainability creates value for the organization and its stakeholders.



One common reporting issue is when disclosures are written independently without a shared narrative structure. This often results in:

- Repetitive section
- Disconnected case studies
- Inconsistent messaging
- Data without context

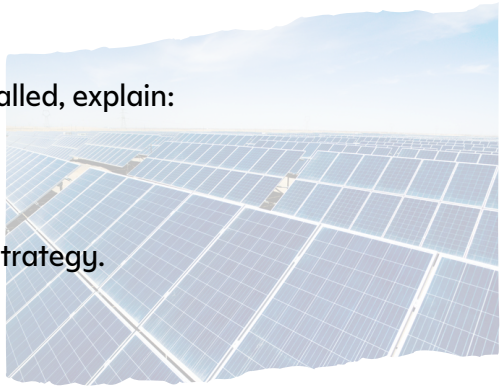
A useful narrative flow may look like this:

01	**Material Topic**	Translate impacts into everyday effects—cost, access, reliability, safety and quality of life
02	**Business Risk or Opportunity**	Explain how the issue presents a risk needed to manage or an opportunity that can create value from
03	**Operational Response**	Describe the company's strategy, actions, or programs
04	**Metrics and Targets**	Show how performance is measured
05	**Stakeholder Impact**	Explain the outcomes and who benefits
06	**Future Direction**	Describe next steps and long-term priorities

WATCH & LEARN
See how a clear narrative brings sustainability disclosures together into one connected story. Scan to watch.

From activity to story

For example:
instead of simply reporting that solar panels were installed, explain:



- why energy resilience matters,
- what operational issue was addressed,
- what measurable outcome resulted,
- and how the initiative supports broader business strategy.

Structuring the Table of Contents

The Table of Contents should help readers follow the company's sustainability story logically.

It should support the report narrative – not compete with it.

A strong structure helps readers move naturally from:

governance and strategy → to risks and operational response → to metrics, outcomes and future direction

For IFRS-aligned reporting, governance, strategy, risk management, and metrics should remain visibly connected throughout the report rather than appearing as isolated disclosure sections.

The objective is to make the report intuitive to navigate and easy to understand.

Practical Tip:

Before finalizing the report structure and narrative, ask:

- Does the report have one clear message?
- Do the sections feel connected?
- Are material topics visible throughout the report?
- Does the language explain business relevance clearly?
- Do visuals help the reader understand the message—or are they simply filling space?
- Would a non-specialist reader still understand the report?

If the answer to several of these is "no," simplify the structure before adding more content.

4.2 Design, Layout and Readability

Good report design should make information easier to absorb and navigate. In sustainability reporting, design is not just about appearance — it also affects readability, accessibility and how effectively readers engage with disclosures.

Using Visuals Effectively

Useful visuals may include:

- Charts
- Dashboards
- Timeline
- Process Diagram
- Infographics
- Maps
- Images

The most effective visuals simplify complexity without removing important context.

For example:

- emissions trends may be easier to understand through charts
- governance structures may benefit from diagrams
- long-term targets may be clearer through timelines.

Presenting Data Clearly

When presenting metrics:

- Use consistent units
- Label charts clearly
- Show trends over time where relevant
- Label charts clearly

Where appropriate:

- Explain significant increases or decreases
- Identify changes in methodology
- Clarify reporting boundaries.

Visuals should support understanding — not distract from it.

Maintaining Consistency Across the Report

Consistency helps the report feel more integrated and easier to navigate. Maintain consistency in:

Colors | Formatting | Chart Styles | Terminology | Icons

This becomes especially important when multiple business units contribute content.

A useful design mindset: Think of each page as a stand-alone story

One useful approach in sustainability reporting is designing pages so they can stand on their own. A reader should still understand the key message, business relevance and main takeaway even when viewing a single page independently.

This encourages:

- Clearer hierarchy
- Stronger headlines
- More focused visuals

Avoid

- overcrowded pages
- decorative visuals without purpose
- inconsistent formatting
- large blocks of uninterrupted text

In sustainability reporting, clarity and readability should take priority over decorative design.

Common Sustainability Report Design Approaches

Good report design should make information easier to absorb and navigate. In sustainability reporting, design is not just about appearance — it also affects readability, accessibility and how effectively readers engage with disclosures.

STYLE	CHARACTERISTICS	BEST USED FOR
Minimalist Corporate	Clean layouts, restrained visuals, data-focused	Investor-focused and IFRS-heavy reports
Editorial / Magazine Style	Large visuals, storytelling layouts, feature-style pages	Stakeholder engagement and narrative-heavy reports
Integrated Report Style	Balanced mix of governance, strategy, and performance visuals	Diversified organizations and integrated reporting
Digital-First Design	Interactive layouts, dashboards, modular sections	Web-based and digitally distributed reports

Practical Tip:
Before finalizing report design, ask:

- Are visuals helping readers understand information more clearly?
- Is the layout easy to navigate?
- Is information presented consistently throughout the report?
- Are charts and visuals clearly labeled?
- Does the report avoid unnecessary clutter?
- Would readers still understand the key message quickly?

If not, simplify the presentation before adding more design elements.

WATCH & LEARN

See how design can make sustainability information clearer, easier to navigate and more useful. Scan to watch.

4.3 Leadership Messaging — Preparing the Chairman's Message & President's Report

The Chairman's Message and the President's Report are often among the most widely read sections of a sustainability report. Together, they help establish leadership accountability, strategic direction and management commitment to sustainability priorities.
Although both sections discuss sustainability performance and direction, they serve different purposes and should not repeat the same narrative.

Strong leadership messaging provides readers with two complementary perspectives:

- Board's long-term strategic and governance perspective
- Management's operational and execution perspective

The Difference Between the Chairman's Message and the President's Report

Good report design should make information easier to absorb and navigate. In sustainability reporting, design is not just about appearance — it also affects readability, accessibility and how effectively readers engage with disclosures.

CHAIRMAN'S MESSAGE	PRESIDENT'S REPORT
Governance and oversight	Operations and execution
Long-term direction	Annual performance and implementation
Board-level perspective	Management perspective
Resilience and stewardship	Programs and operational response
Strategic priorities	Business execution and performance

Writing Effective Leadership Messages

Strong leadership messages should feel clear, grounded, and aligned with the realities of the business. Effective messages typically:

- Explain what matters most to the business
- Connect sustainability to long-term strategy and resilience
- Acknowledge key challenges and priorities
- Reinforce accountability and leadership direction

Leadership sections are usually more effective when they are concise, specific and written in plain, direct language.

The strongest leadership messages are often the clearest and most direct.

Tone and Language

Leadership messaging should sound:

- Confident but balanced
- Strategic rather than promotional
- Forward-looking without overstating achievements.

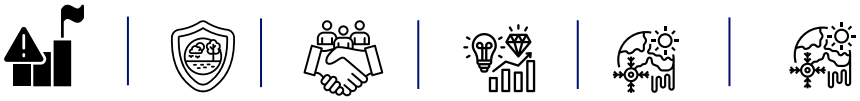
Avoid

- Vague ESG/ sustainability slogans
- Excessive sustainability jargon
- Overly polished corporate language
- Statements that could apply to almost any company

Writing Effective Leadership Messages

One common reporting issue is when leadership messages in the sustainability report simply repeat narratives already presented in the Annual Report.

Instead, sustainability leadership messaging should focus more specifically on:



Sustainability-related risks and opportunities | Resilience | Stakeholder expectations | Long-term value creation | Climate and social priorities | How sustainability considerations influence business decisions

The sustainability report should complement the Annual Report — not duplicate it.

Practical Tip:

Before finalizing leadership messages, check whether:

- The two sections sound distinct
- The tone reflects the speaker's role
- the content aligns with material topics
- The narrative remains connected to the rest of the report

WATCH & LEARN

See how leadership messages can be clear, distinct and connected to the sustainability story Scan to watch.

4.4 Presenting the Big Picture with Practical Outcomes

A strong sustainability report occasionally steps back and shows the bigger picture: how sustainability connects to strategy, operations, risk management and long-term value creation across the organization.

For diversified groups such as SM, this is especially important. Different business units may have different operational priorities, but the report should still feel like one company explaining one direction.

A strong "big picture" narrative does this:

- Connects operational stories to Group strategy and material topics
- Explains why initiatives matter to the business
- Shows how issues are managed in practice
- Highlights the outcomes and measurable results
- Demonstrates stakeholder impact and long-term value creation

Moving Beyond Activity Reporting

One common reporting mistake is listing activities without explaining why they matter.

Weak Example	Strong Example
"Solar panels were installed across selected properties."	"SM expanded solar rooftop installations across selected properties to improve energy efficiency, reduce operational emissions and strengthen resilience against rising energy costs."
This only describes an activity	*This explains why, what was addressed and the expected outcomes.*

Useful questions to ask when reviewing disclosures:

- What changed?
- Who benefited?
- What risk was reduced?
- What operational improvement resulted?
- How does this support long-term priorities?

WATCH & LEARN
Go beyond the numbers.
Scan to see how.

4.5 Presenting IFRS Core Content

IFRS sustainability reporting is often misunderstood as a purely technical disclosure exercise. In practice, the challenge is usually not the lack of information, but presenting information in a way that feels connected, understandable and relevant to the business.

A common reporting problem is when disclosures are presented as separate compliance sections: governance in one part, risks in another, metrics in tables and operational examples disconnected from all three. Technically complete, perhaps—but difficult to follow.

A stronger report treats IFRS disclosures as one connected story:



Writing Effective Leadership Messages

Case studies help explain:

- How sustainability issues are managed in practice
- How strategy is implemented
- How business units repond to risks and opportunities

Well-written case studies make technical disclosures more understandable and relatable. However, case studies should support material topics and IFRS disclosures — not function as standalone promotional stories.

Good case studies connect operational action to:



Structuring a Sustainability Case Study

A practical sustainability case study usually includes:

Section	What to Explain
The issue or challenge	What sustainability issue, risk, or opportunity was identified and why it matters
The company response	What action was taken and how the initiative was implemented
Business relevance	How the initiative supports strategy, resilience, operational efficiency, or stakeholder expectations
Measurable outcomes	KPIs, operational improvements, targets, or impact measurements
Future direction	Next steps, scaling palns, or remaining challenges

Avoid "Marketing-Style" Sustainability Stories

one of the most common reporting issues is when sustainability stories sound promotional rather than informative.

Avoid this...	Do this instead...
Exaggerated claims	Explain the issue clearly
Vague impact statements	Present evidence and measurable outcomes
Overly emotional language	Acknowledge limitations where relevant
Stories disconnected from material topics	Connect disclosures back to business relevance

Making Disclosures Easier to Follow

Useful writing practices include:

- Using plain and direct language,
- Connecting metrics to business relevance,
- breaking down technical concepts into practical implications,
- and using examples or case studies to support key disclosures.

A report should feel integrated—not assembled from separate submissions.

Practical Tip:
When reviewing IFRS-related disclosures, ask:

- Does this explain why the issue matters to the business?
- Does it connect governance, strategy, risk, and outcomes clearly?
- Would a non-specialist reader still understand it?
- Does the disclosure explain what changed—not just what was done?

If not, the section may still read more like compliance writing than a sustainability story.

Watch and Learn
Explore how IFRS S1 and S2 fit together to build a complete sustainability story. Scan to watch.

4.6 Presenting Verifiable Impact

Strong sustainability reporting moves beyond describing activities and focuses on explaining measurable outcomes and impact.

Readers increasingly expect companies to demonstrate what changed, who benefited, what value was created and how impact is measured.

This becomes especially important as sustainability disclosures become more closely linked to assurance, investor expectations and decision-making.

Distinguishing Activities from Impact

Activity: what we do
Output: what we produce of deliver
Outcome: the short-to-medium term change
Impact: the long-term value created

The goal is simple:
Move from reporting what the company did to explaining the difference the initiative made

Level	Example
Activity	Conducted livelihood training
Output	Number of participants trained
Outcome	Increased employment opportunities
Impact	Improved economic resilience

Making Impact Measurable

Impact reporting becomes stronger when disclosures are supported by:

- Measurable indicators
- Operational context
- Credible methodologies
- Realistic explanations of outcomes

At SM, many sustainability initiatives already operate at scale across the Group. The challenge is often not lack of activity, but demonstrating measurable outcomes clearly and credibly.

Examples may include renewable energy capacity installed, jobs generated, waste diverted, water reused and communities supported.

Example:

Weak Disclosure	Strong Disclosure
"Job fairs were conducted in communities."	"Job fairs were conducted in communities." "The SM–DOLE Job Fair program helped connect over 30,000 jobseekers to employment opportunities, supporting livelihood recovery and local economic participation."
"Renewable energy projects were expanded across operations."	"SM Supermalls expanded renewable energy adoption across its properties, reaching 100 MW of installed renewable energy capacity to support emissions reduction, operational efficiency and long-term energy resilience."

Distinguishing Activities from Impact

Social Return on Investment (SROI) is a methodology used to estimate and communicate the broader social value created by programs, investments or initiatives. It attempts to assess social outcomes — such as improved livelihoods, education, health or community well-being — relative to the resources invested.

Organizations may use SROI to better understand and communicate the wider social impact of sustainability initiatives beyond traditional financial metrics.

When discussing SROI:

- Explain assumptions clearly
- Define scope and limitations
- Identify how outcomes were measured
- Avoid overstating precision where estimates are involved.

The goal is not to inflate impact claims, but to explain social value more clearly and credibly.

Practical Tip:

Before presenting an impact claim, ask:

- Is the outcome measurable or observable?
- Is the claim supported by evidence or data?
- Does the disclosure explain what changed?
- Would the statement remain credible under assurance review?

If not, strengthen the supporting evidence or simplify the claim further.

Learn more about the SROI studies for the College Scholarship and School Building Programs in the 2024 and 2025 SM Investments Sustainability Report, pages 34–35.

Watch and Learn
See how evidence, outcomes and context help make sustainability claims meaningful and credible. Scan to watch.



05

SUSTAINABILITY ASSURANCE

How to prove it stands up to scrutiny

SECTION 5:

1 **Preparing a Sustainability Index**

2 **ISSAE 3000**

3 **ISSA 5000**

5.1 Preparing a Sustainability Index: What is this Document in Plain Terms

A sustainability Index is not the main report—it is the working papers behind it. If the Sustainability Report tells the story, this document shows how the story stands up to scrutiny. It provides the detailed disclosures, indices and references that demonstrate alignment with IFRS S1 and S2, GRI, and other standards, alongside the company's double materiality approach. It is where credibility lives—quietly ensuring the main report is not just well-written, but properly supported.

In short, it does three things:

Proves completeness — nothing material has been left out

Shows alignment — disclosures are mapped to global standards (IFRS, GRI, SASB, ESRS)

Provides depth — detailed data, methodologies and frameworks behind headline claims

Practical steps to create something similar

1 **Define the role of the document**

Position it clearly as a supplement, not a duplicate. Let the main report tell the story; this document backs it up with structure and detail

2 **Anchor everything on materiality**

- Start with your double materiality results (IFRS + GRI)
- Ensure every disclosure traces back to a material topic
- Make it easy to see why each topic matters

3 **Build clear disclosure indices – Create structured indices for:**

- IFRS S1 (general sustainability)
- IFRS S2 (climate)
- GRI Standards

Map each requirement to:

- Page references
- Sections in the main report

The aim: no guessing, no hunting

4

Show the machinery behind the story

Include the frameworks that make sustainability work in practice:

- Sustainability & Climate Risk Management Framework
- GHG Management Plan
- Policies and management systems
- Social and environmental data tables

This is where you show that governance, processes, and controls exist—not just intent.



5

Present data with discipline – tone should be factual not promotional

- Provide complete datasets (not just highlights)
- Include methodologies, boundaries and assumptions
- Keep numbers consistent with the main report



6

Make interoperability visible

- Cross-reference IFRS ↔ GRI ↔ other frameworks
- Avoid duplication—use mapping instead of repetition
- Let the reader see this is one system, not multiple reports



7

Keep it navigable

- Use clear tables, indices, and signposting
- Think like the reader: they are checking, not browsing
- Make verification quick and painless

8

Ensure governance and approval

- Confirm the document is reviewed and approved at Board level
- Align it with the same governance as the main report
- This reinforces credibility—not just compliance

In essence

Think of this document as the evidence file: not written to impress, but to stand up to questions. When done well, it reassures the reader that the headline story is not only coherent—but complete, consistent and quietly reliable.

Sample Index Map

Indicator-Framework Cross-Reference Matrix

This matrix maps common sustainability indicators to applicable reporting frameworks. Use it when confirming scope, checking completeness and identifying disclosure requirements.



Alignment of Key Sustainability Indicators with Reporting Standards

INDICATOR	IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	IFRS S2 Climate-related Disclosures	GRI Standards	SASB Standards	GHG Protocol Corporate Standard
Scope 1 GHG emissions	✓	✓	305-1	Varies by sector	✓
Scope 2 GHG emissions	✓	✓	305-2	Varies by sector	✓
Scope 3 GHG emissions	✓	✓	305-3	Varies by sector	✓
Energy consumption	✓	✓	302-1	Varies by sector	—
Renewable energy	✓	✓	302-1	Varies by sector	✓ (Scope 2)
Water withdrawal	✓	—	303-3	Varies by sector	—
Waste generated	✓	—	306-3	Varies by sector	—
Employee headcount	✓	—	2-7	Varies by sector	—
Diversity metrics	✓	—	405-1	Varies by sector	—
Health and safety (TRIR, fatalities)	✓	—	403-9	Varies by sector	—
Training hours	✓	—	404-1	Varies by sector	—
Climate-related financial effects	—	✓	—	—	—
Climate scenario analysis	—	✓	—	—	—
Sustainability-related risk and opportunities	✓	—	—	—	—
Climate-related risk and opportunities	—	✓	—	—	—
Governance structure	✓	✓	2-9	—	—

Note: SASB metrics are sector-specific. Identify the applicable SASB standards based on the company's industry classification.

✓ Applicable / Recommended — Not covered by the standard — Not applicable

5.2 Getting Assured

Assurance Overview: Sustainability assurance is the independent check that a company's ESG disclosures are accurate, complete and not misleading—bringing the same discipline as a financial audit to non-financial information. Frameworks like ISAE 3000 and the newer ISSA 5000 set out how this is done so results are consistent and credible. This matters because investors now rely on sustainability data to assess risk, resilience and long-term value, while regulators—such as the Philippine SEC—are making both reporting under IFRS S1 and S2 and assurance (starting with key climate data) a requirement under ISSA 5000. In short, assurance turns sustainability from a set of claims into something that can be trusted, compared and acted upon.

Limited vs Reasonable Assurance

what's the difference



5.2.1 ISAE 3000 The Generalist Assurance Framework

ISAE 3000 is simply a framework that brings independent scrutiny to sustainability reporting—checking that what a company says about its ESG performance is not just well-presented, but properly backed up. It looks beyond the headline numbers to the systems, processes and controls behind them, and tests whether disclosures are complete, accurate and fair against recognized standards like IFRS or GRI. In practice, it means both the data and the narrative undergo the same disciplined review, with clear evidence required to support each claim—ensuring the report is complete, balanced, and not misleading.

The assurance process - how it typically works

1. **Define scope and criteria**
   Define what is being assured (e.g. GHG data, full report) and which standards will be used
2. **Understand the business and risks**
   Review how sustainability issues are identified, managed and reported
3. **Assess systems and controls**
   Evaluate data collection processes, internal controls and governance
4. **Test data and disclosures**
   Perform checks, sampling, recalculations and document reviews
5. **Challenge assumptions and judgments**
   Examine methodologies, estimates and areas of subjectivity
6. **Form a conclusion**
   Decide whether the disclosures meet the criteria at the chosen assurance level
7. **Issue the assurance statement**
   Provide a formal opinion (limited or reasonable), including scope and findings

What should you prepare for

Clear reporting boundaries and scope

Clearly define on what is included (entities, sites, time period)

Defined methodologies and criteria

Document how metrics (e.g. GHG) are calculated and aligned to standards

Reliable data systems

Ensure data is traceable, consistent and supported by audit trails

Strong internal controls

Put checks in place for data validation, approvals and sign-off

Documented processes

Show how information is collected, reviewed and consolidated

Governance clarity

Demonstrate who is accountable for sustainability data and disclosures

Evidence to support claims

Keep records for both numbers and narrative statements

In essence - **ISAE 3000** is less about formality and more about **confidence**: it ensures that what the report says is not only well-written—but **properly supported, consistently prepared and able to withstand a closer look.**

5.2.2 ISSA 5000 The Dedicated Sustainability Assurance Standard

ISSA 5000 is the next step up—a framework designed specifically for sustainability assurance, bringing a clearer, more consistent approach to reviewing ESG disclosures. Where ISAE 3000 provides the general discipline, ISSA 5000 sharpens it for sustainability's particular complications: mixed data, forward-looking claims and value-chain impacts. It applies a more structured and uniform way of assessing both numbers and narrative, ensuring disclosures are not only supported, but comparable and credible across companies and markets. In practice, this requires stronger evidence, clearer judgments and a more deliberate link between material issues and what is reported, so sustainability information can stand up to the same level of scrutiny as financial data.

The assurance process - how it typically works

1. **Define scope and criteria**
   Define what sustainability information is covered and the reporting standards applied (e.g. IFRS S1/S2, GRI)
2. **Understand material topics and context**
   Provide a structured conclusion (limited or reasonable) in line with ISSA 5000 requirements.
3. **Assess governance, systems, and controls**
   Focus on double materiality—what affects the business and what the business affects
4. **Evaluate data across the value chain**
   Review how sustainability data is produced, managed and overseen
5. **Test disclosures and challenge judgments**
   Test not just internal data, but also relevant upstream and downstream information
6. **Apply heightened professional skepticism**
   Examine calculations, assumptions, estimates and forward-looking statements
7. **Form a conclusion and issue assurance opinion**
   Probe gaps, inconsistencies and areas where evidence is less mature

What should you prepare for

Stronger link to materiality
Ensure disclosures clearly tie back to defined material risks and impacts

More robust data and documentation
Maintain detailed audit trails, especially for estimates and non-financial metrics

Value chain visibility
Be ready to support disclosures that extend beyond direct operations

Clear methodologies and assumptions
Document how data is calculated, including scenarios and forward-looking inputs

Integrated governance and oversight
Show clear accountability from management through to the Board

Consistent application across frameworks
Align disclosures across IFRS, GRI and other standards without contradiction

Evidence to support claims
Expect more scrutiny, especially as assurance moves from limited to reasonable

The practical takeaway - **ISSA 5000** is about moving sustainability assurance from a helpful check into a **properly structured discipline**—ensuring that what companies say about sustainability is not only supported, but **consistent, comparable and credible enough to be relied on in serious decision-making.**

AREA	ISAE 3000 (GENERALIST)	ISSA 5000 (SPECIALIST)
Overall Approach	Principles-based, broad framework for all non-financial assurance	Purpose-built, end-to-end framework specifically designed for sustainability assurance
Mindset	Applies a general assurance approach to sustainability	Designed from the outset for the complexity of sustainability disclosures
Stakeholders	Primarily focused on intended users of the report (typically investors)	Explicitly considers a wider set of stakeholders, including investors, regulators and society
Internal Control Processes	Relies on existing controls; less specific to ESG processes	Stronger expectations for governance, controls and sustainability-specific processes
Data	Works with available data, even if inconsistent or still developing	Recognizes complex ESG data (estimates, forward-looking information, value chain inputs) and sets clearer requirements to handle it
Materiality	Uses a more traditional, financially aligned materiality lens	Applies broader sustainability materiality, including impacts, risks, opportunities and double materiality concepts
Level of Detail	High-level and flexible guidance	More structured, detailed and consistent requirements tailored to sustainability
Future Relevance	Serves as a transitional foundation for ESG assurance	Emerging global baseline standard for sustainability assurance going forward

In essence -**ISAE 3000 provides the discipline**; **ISSA 5000 refines it for sustainability**—turning a general framework into one that properly fits the realities of ESG reporting.

WATCH & LEARN
See what it takes to make a sustainability report stand up to scrutiny. Scan to watch.

Annex A: Approved Emission Factors

The emission factors below are approved for use by all Group business units for the current reporting period. The Sustainability Data Management Team reviews and updates this table annually; business units shall not use emission factors other than those listed herein without prior written approval.

To use: identify the activity source and corresponding fuel, refrigerant or electricity type; multiply the total consumption (in the unit specified) by the relevant emission factor; then sum the results across sources and sites to arrive at total emissions per scope.

Fuel Combustion Emission Factors[1]			
Fuel Source Type	**Consumption Unit**	**Emission Factor Applied**[2] **(tCO_2e/unit)**	**Fuel Category Used**[3]
Carbon dioxide (CO_2)			
Generator Set (Diesel)	liter	0.0029099857	Stationary Combustion – Gas/Diesel Oil (Liquid basis)
Transport Vehicle (Diesel)	liter	0.0029099857	Stationary Combustion – Gas/Diesel Oil (Liquid basis)
Transport Vehicle (Gasoline)	liter	0.0022881943	Stationary Combustion – Motor Gasoline (Liquid basis)
Other Diesel Consumption	liter	0.0029099857	Stationary Combustion – Gas/Diesel Oil (Liquid basis)
Other Gasoline Consumption	liter	0.0022881943	Stationary Combustion – Motor Gasoline (Liquid basis)
Shipping/Bunker Fuel	liter	0.0030052684	Stationary Combustion – Residual Fuel Oil (Liquid basis)
Heating and Cooking (LPG)	kilogram	0.0029846300	Stationary Combustion – Liquified Petroleum Gases (Mass basis)
Compressed Natural Gas (CNG)	cubic meter	0.0018849600	Stationary Combustion – Natural Gas (Gas basis)
Methane (CH_4), expressed as CO_2e			
Generator Set (Diesel)	liter	0.0000106032	Stationary Combustion – Gas/Diesel Oil (Liquid basis)
Transport Vehicle (Diesel)	liter	0.0000106032	Stationary Combustion – Gas/Diesel Oil (Liquid basis)
Transport Vehicle (Gasoline)	liter	0.0000089150	Stationary Combustion – Motor Gasoline (Liquid basis)
Other Diesel Consumption	liter	0.0000106032	Stationary Combustion – Gas/Diesel Oil (Liquid basis)
Other Gasoline Consumption	liter	0.0000089150	Stationary Combustion – Motor Gasoline (Liquid basis)
Shipping/Bunker Fuel	liter	0.0000104835	Stationary Combustion – Residual Fuel Oil (Liquid basis)
Heating and Cooking (LPG)	kilogram	0.0000063855	Stationary Combustion – Liquified Petroleum Gases (Mass basis)
Compressed Natural Gas (CNG)	cubic meter	0.0000045360	Stationary Combustion – Natural Gas (Gas basis)
Nitrous oxide (N_2O), expressed as CO_2e			
Generator Set (Diesel)	liter	0.0000064326	Stationary Combustion – Gas/Diesel Oil (Liquid basis)
Transport Vehicle (Diesel)	liter	0.0000064326	Stationary Combustion – Gas/Diesel Oil (Liquid basis)
Transport Vehicle (Gasoline)	liter	0.0000054085	Stationary Combustion – Motor Gasoline (Liquid basis)
Other Diesel Consumption	liter	0.0000064326	Stationary Combustion – Gas/Diesel Oil (Liquid basis)
Other Gasoline Consumption	liter	0.0000054085	Stationary Combustion – Motor Gasoline (Liquid basis)
Shipping/Bunker Fuel	liter	0.0000063600	Stationary Combustion – Residual Fuel Oil (Liquid basis)
Heating and Cooking (LPG)	kilogram	0.0000012913	Stationary Combustion – Liquified Petroleum Gases (Mass basis)
Compressed Natural Gas (CNG)	cubic meter	0.0000009173	Stationary Combustion – Natural Gas (Gas basis)

[1]Sources: GHG Protocol - Emission Factors from Cross-Sector Tools, March 2024; IPCC Global Warming Potential Values, August 2024 (AR6).
[2]CH_4 and N_2O factors are expressed in tonnes of CO_2 equivalent (tCO_2e) per unit of fuel and already include conversion using the applicable IPCC AR6 100-year global warming potential (GWP) values - CH_4: 27 and N_2O: 273. Do not multiply these factors by GWP again.
[3]To standardize fuel-emissions calculations across BUs, the Group applies factors from the Stationary Combustion worksheet to the fuel activities listed, including transport vehicles and vessels.

Refrigerant Emission Factors[1]			
Refrigerant Type	**Consumption Unit**	**Emission Factor Applied[2] (tCO_2e/kg)**	**Refrigerant Notes**
Hydrofluorocarbon (HFC)			
R-134	kilogram	1.260000	Include in Scope 1 total emissions
R-134a	kilogram	1.530000	Include in Scope 1 total emissions
R-410A	kilogram	2.255500	Include in Scope 1 total emissions
R-404	kilogram	4.728000	Include in Scope 1 total emissions
R-404A	kilogram	4.728000	Include in Scope 1 total emissions
R-507	kilogram	4.775000	Include in Scope 1 total emissions
R-407C	kilogram	1.907930	Include in Scope 1 total emissions
R-32	kilogram	0.771000	Include in Scope 1 total emissions
R-23	kilogram	14.600000	Include in Scope 1 total emissions
Hydrochlorofluorocarbon (HCFC)			
R-22	kilogram	1.960000	Exclude from the seven-gas Scope 1 total; tracked separately as ozone-depleting substances.
R-123	kilogram	0.090400	Exclude from the seven-gas Scope 1 total; tracked separately as ozone-depleting substances.
R-141b	kilogram	0.860000	Exclude from the seven-gas Scope 1 total; tracked separately as ozone-depleting substances.
Chlorofluorocarbon (CFC)			
R-12	kilogram	12.500000	Exclude from the seven-gas Scope 1 total; tracked separately as ozone-depleting substances.
Hydrofluoroolefin (HFO)			
R-1234ze(E)	kilogram	0.001370	Exclude from the seven-gas Scope 1 total; tracked separately as ozone-depleting substances.

[1]Sources: IPCC Global Warming Potential Values, August 2024 (AR6).

[2]Factors are expressed in tonnes of CO_2 equivalent (tCO_2e) per kilogram of refrigerant and are calculated by dividing the applicable IPCC AR6 100-year global warming potential (GWP) by 1,000. These factors already incorporate GWP; do not multiply them by GWP again.

Electricity Emission Factors[1]			
Electricity Source	**Consumption Unit**	**Emission Factor Applied[2] (tCO_2e/kWh)**	**Electricity Notes**
Self-generated Electricity Directly Consumed[3]			
Onsite solar generated	kWh	0	
Geothermal electricity generated	kWh	0	
Location-based Method			
Luzon	kWh	0.0007310	
Visayas	kWh	0.0007310	
Mindanao	kWh	0.0008519	
China	kWh	0.0005703	
Hong Kong	kWh	0.0007100	
Singfapore	kWh	0.0004120	
Market-based Method			
Purchased from Solar	kWh	TBD	Supported by contractual instruments
Purchased from Geothermal	kWh	TBD	Supported by contractual instruments
Purchased from Wind	kWh	TBD	Supported by contractual instruments
Purchased from Hydro	kWh	TBD	Supported by contractual instruments
Purchased from Mixed RE	kWh	TBD	Supported by contractual instruments
Purchased from WESM	kWh	TBD	Apply the residual-mix factor where available; otherwise use the applicable grid-average factor when eligible supplier/product-specific data are unavailable.

[1]Sources: Philippines - DOE, 2022-2024 National Grid Emission Factor; China - GHG Protocol, Emission Factors from Cross-Sector Tools, March 2024; Hong Kong - HK Electric; Singapore - Energy Market Authority.

[2]Electricity factors cover CO_2 only and are expressed in tCO_2/kWh. Where source factors are expressed in kg CO_2/kWh, divide by 1,000. No GWP conversion is required for CO_2.

[3]Zero Scope 2 emissions applies to electricity generated within the company's operational-control boundary and consumed internally.

Annex B: Summary of Formulas

GHG Emissions from Fuel Consumption[1]			
Fuel Source Type	**Consumption Unit**	**Emissions (tCO_2e/unit)**	**Reference ID**
Total Emissions from Fuel		**TF1 + TF2 + TF3**	
Total Carbon dioxide (CO_2) Emissions		**F1 + F2 + F3 + F4 + F5 + F6 + F7 + F8**	**TF1**
Generator Set (Diesel)	liter	Consumption x 0.0029099857	F1
Transport Vehicle (Diesel)	liter	Consumption x 0.0029099857	F2
Transport Vehicle (Gasoline)	liter	Consumption x 0.0022881943	F3
Other Diesel Consumption	liter	Consumption x 0.0029099857	F4
Other Gasoline Consumption	liter	Consumption x 0.0022881943	F5
Shipping/Bunker Fuel	liter	Consumption x 0.0030052684	F6
Heating and Cooking (LPG)	kilogram	Consumption x 0.0029846300	F7
Compressed Natural Gas (CNG)	cubic meter	Consumption x 0.0018849600	F8
Total Methane (CH_4) Emissions		**F9 + F10 + F11 + F12 + F13 + F14 + F15 + F16**	**TF2**
Generator Set (Diesel)	liter	Consumption x 0.0000106032	F9
Transport Vehicle (Diesel)	liter	Consumption x 0.0000106032	F10
Transport Vehicle (Gasoline)	liter	Consumption x 0.0000089150	F11
Other Diesel Consumption	liter	Consumption x 0.0000106032	F12
Other Gasoline Consumption	liter	Consumption x 0.0000089150	F13
Shipping/Bunker Fuel	liter	Consumption x 0.0000104835	F14
Heating and Cooking (LPG)	kilogram	Consumption x 0.0000063855	F15
Compressed Natural Gas (CNG)	cubic meter	Consumption x 0.0000045360	F16
Total Nitrous oxide (N_2O) Emissions		**F17 + F18 + F19 + F20 + F21 + F22 + F23 + F24**	**TF3**
Generator Set (Diesel)	liter	Consumption x 0.0000064326	F17
Transport Vehicle (Diesel)	liter	Consumption x 0.0000064326	F18
Transport Vehicle (Gasoline)	liter	Consumption x 0.0000054085	F19
Other Diesel Consumption	liter	Consumption x 0.0000064326	F20
Other Gasoline Consumption	liter	Consumption x 0.0000054085	F21
Shipping/Bunker Fuel	liter	Consumption x 0.0000063600	F22
Heating and Cooking (LPG)	kilogram	Consumption x 0.0000012913	F23
Compressed Natural Gas (CNG)	cubic meter	Consumption x 0.0000009173	F24

[1]Separately calculate consumption and emissions of Within and Outside the organization.

GHG Emissions from Refrigerant Consumption[1]			
Refrigerant Type	**Consumption Unit**	**Emissions (tCO_2e/unit)**	**Reference ID**
Total Emissions from Refrigerant		**TR1**	
Total HFC Emissions		**R1 + R2 + R3 + R4 + R5 + R6 + R7 + R8 + R9**	**TR1**
R-134	kilogram	Consumption x 1.260000	R1
R-134a	kilogram	Consumption x 1.530000	R2
R-410A	kilogram	Consumption x 2.255500	R3
R-404	kilogram	Consumption x 4.728000	R4
R-404A	kilogram	Consumption x 4.728000	R5
R-507	kilogram	Consumption x 4.775000	R6
R-407C	kilogram	Consumption x 1.907930	R7
R-32	kilogram	Consumption x 0.771000	R8
R-23	kilogram	Consumption x 14.600000	R9
Total HCFC Emissions		**R10 + R11 + R12**	**TR2**
R-22	kilogram	Consumption x 1.960000	R10
R-123	kilogram	Consumption x 0.090400	R11
R-141b	kilogram	Consumption x 0.860000	R12
Total CFC Emissions		**R13**	**TR3**
R-12	kilogram	Consumption x 12.500000	R13
Total HFO Emissions		**R14**	**TR4**
R-1234ze(E)	kilogram	Consumption x 0.001370	R14

[1]Separately calculate consumption and emissions of Within and Outside the organization.

GHG Emissions from Electricity Consumption[1]			
Electricity Source	**Consumption Unit**	**Emissions (tCO_2e/unit)**	**Reference ID**
Total Emissions from Electricity (Location-based)		**E1 + E2 + E3 + E4 + E5 + E6**	
Luzon	kWh	Consumption x 0.0007310	E1
Visayas	kWh	Consumption x 0.0007310	E2
Mindanao	kWh	Consumption x 0.0008519	E3
China	kWh	Consumption x 0.0005703	E4
Hong Kong	kWh	Consumption x 0.0007100	E5
Singfapore	kWh	Consumption x 0.0004120	E6
Total Emissions from Electricity (Market-based)		**E7 + E8 + E9 + E10 + E11 + E12**	
Purchased from Solar	kWh	Consumption x % of Solar x Supplier/product-specific factor	E7
Purchased from Geothermal	kWh	Consumption x % of Geothermal x Supplier/product-specific factor	E8
Purchased from Wind	kWh	Consumption x % of Wind x Supplier/product-specific factor	E9
Purchased from Hydro	kWh	Consumption x % of Hydro x Supplier/product-specific factor	E10
Purchased from Mixed RE	kWh	Consumption x % of Mixed RE x Supplier/product-specific factor	E11
Purchased from WESM	kWh	Consumption x % of WESM x Location-based emission factor	E12

[1]Separately calculate consumption and emissions of Within and Outside the organization.

Total GHG Emissions	
GHG Emissions	**Emissions (tCO_2e/unit)**
Total Scope 1 Emissions	**Total Emissions from Fuel and Refrigerant Consumption Within the Organization**
Total Scope 2 Emissions (Location-based)	**Total Emissions from Electricity Consumption Within the Organization (Location-based)**
Total Scope 2 Emissions (Market-based)	**Total Emissions from Electricity Consumption Within the Organization (Market-based)**
Total Scope 3 Emissions (with Emissions from Electricity following Location-based)	**Total Emissions from Fuel and Refrigerant Consumption Outside the Organization + Total Emissions from Electricity Consumption Outside the Organization (Location-based)**

HR - Employee Demographics		
Employee Demographics	**Formula**	**Notes**
Total Headcount	**Total Permanent Employees**	**GRI 401-1**
Total Headcount by Gender		**GRI 405-1**
% of Male	(Total Male Permanent Employees / Total Permanent Employees) x 100	
% of Female	(Total Female Permanent Employees / Total Permanent Employees) x 100	
Total Headcount by Age Group		**GRI 405-1**
% of Below 30 years old	(Total Below 30 years old Permanent Employees / Total Permanent Employees) x 100	
% of Between 30 to 50 years old	(Total Between 30 to 50 years old Permanent Employees / Total Permanent Employees) x 100	
% of Above 50 years old	(Total Above 50 years old Permanent Employees / Total Permanent Employees) x 100	
Total Headcount by Level		**GRI 405-1**
% of Rank-and-File	(Total Rank-and-File Permanent Employees / Total Permanent Employees) x 100	
% of Junior Management	(Total Junior Management Permanent Employees / Total Permanent Employees) x 100	
% of Middle Management	(Total Middle Management Permanent Employees / Total Permanent Employees) x 100	
% of Senior Management	(Total Senior Management Permanent Employees / Total Permanent Employees) x 100	
Total Headcount by Region		**GRI 405-1**
% of NCR	(Total NCR Permanent Employees / Total Permanent Employees) x 100	
% of Luzon	(Total Luzon Permanent Employees / Total Permanent Employees) x 100	
% of Visayas	(Total Visayas Permanent Employees / Total Permanent Employees) x 100	
% of Mindanao	(Total Mindanao Permanent Employees / Total Permanent Employees) x 100	
% of Outside the Philippines	(Total Outside the Philippines Permanent Employees / Total Permanent Employees) x 100	
Total Headcount by Citizenship		**GRI 405-1**
% of Filipino	(Total Filipino Permanent Employees / Total Permanent Employees) x 100	
% of Non-Filipino	(Total Non-Filipino Permanent Employees / Total Permanent Employees) x 100	
% of Dual Citizenship	(Total Dual Citizenship Permanent Employees / Total Permanent Employees) x 100	
Total Headcount by Generation		**GRI 405-1**
% of Silent Generation/Traditionalists (Born: 1928 - 1945)	(Total Silent Generation Permanent Employees / Total Permanent Employees) x 100	
% of Baby Boomers (Born: 1946 - 1964)	(Total Baby Boomers Permanent Employees / Total Permanent Employees) x 100	
% of Generation X (Born: 1965 - 1980)	(Total Generation X Permanent Employees / Total Permanent Employees) x 100	
% of Generation Y/Millennials (Born: 1981 - 1996)	(Total Generation Y Permanent Employees / Total Permanent Employees) x 100	
Generation Z (Born: 1997 - 2012)	(Total Generation Z Permanent Employees / Total Permanent Employees) x 100	

HR - Gender Diversity		
Gender Diversity	**Formula**	**Notes**
Total STEM related Functions	*Total IT Positions*+*Total Engineering Positions*	**GRI 401-1**
Male	*Total Male IT Positions* +*Total Male Engineering Positions*	
Female	*Total* Fem*ale IT Positions* +*Total* Fem*ale Engineering Positions*	

HR - New Hires		
New Hires	**Formula**	**Notes**
Hiring Rate		**GRI 401-1**
Hiring Rate	(Total Permanent New Hires / Total Permanent Employees) x 100	
Hiring Rate by Gender		**GRI 401-1**
Hiring Rate for Male	(Total Male Permanent New Hires / Total Male Permanent Employees) x 100	
Hiring Rate for Female	(Total Female Permanent New Hires / Total Female Permanent Employees) x 100	
% of New Hires by Gender		**GRI 401-1**
% of Male New Hires	(Total Male Permanent New Hires / Total Permanent New Hires) x 100	
% of Female New Hires	(Total Female Permanent New Hires / Total Permanent New Hires) x 100	
Hiring Rate by Age Group		**GRI 401-1**
Hiring Rate for Below 30 years old	(Total Below 30 years old Permanent New Hires / Total Below 30 years old Permanent Employees) x 100	
Hiring Rate for Between 30 to 50 years old	(Total Between 30 to 50 years old Permanent New Hires / Total Between 30 to 50 years old Permanent Employees) x 100	
Hiring Rate for Above 50 years old	(Total Above 50 years old Permanent New Hires / Total Above 50 years old Permanent Employees) x 100	
% of New Hires by Age Group		**GRI 401-1**
% of Below 30 years old New Hires	(Total Below 30 years old Permanent New Hires / Total Permanent New Hires) x 100	
% of Between 30 to 50 years old New Hires	(Total Between 30 to 50 years old Permanent New Hires / Total Permanent New Hires) x 100	
% of Above 50 years old New Hires	(Total Above 50 years old Permanent New Hires / Total Permanent New Hires) x 100	
Hiring Rate by Region		**GRI 401-1**
Hiring Rate for NCR	(Total NCR Permanent New Hires / Total NCR Permanent Employees) x 100	
Hiring Rate for Luzon	(Total Luzon Permanent New Hires / Total Luzon Permanent Employees) x 100	
Hiring Rate for Visayas	(Total Visayas Permanent New Hires / Total Visayas Permanent Employees) x 100	
Hiring Rate for Mindanao	(Total Mindanao Permanent New Hires / Total Mindanao Permanent Employees) x 100	
Hiring Rate for Outside the Philippines	(Total Outside the Philippines Permanent New Hires / Total Outside the Philippines Permanent Employees) x 100	
% of New Hires by Region		**GRI 401-1**
% of NCR New Hires	(Total NCR Permanent New Hires / Total Permanent New Hires) x 100	
% of Luzon New Hires	(Total Luzon Permanent New Hires / Total Permanent New Hires) x 100	
% of Visayas New Hires	(Total Visayas Permanent New Hires / Total Permanent New Hires) x 100	
% of Mindanao New Hires	(Total Mindanao Permanent New Hires / Total Permanent New Hires) x 100	
% of Outside the Philippines New Hires	(Total Outside the Philippines Permanent New Hires / Total Permanent New Hires) x 100	

HR - Employee Separations		
Employee Separations	**Formula**	**Notes**
Turnover Rate		**GRI 401-1**
Turnover Rate	(Total Permanent Employee Separations / Total Permanent Employees) x 100	
Turnover Rate by Separation Type		**GRI 401-1**
Turnover Rate for Voluntary	(Total Voluntary Permanent Employee Separations / Total Permanent Employees) x 100	
Turnover Rate for Involuntary	(Total Involuntary Permanent Employee Separations / Total Permanent Employees) x 100	
% of Employee Separations by Separation Type		**GRI 401-1**
% of Voluntary Separation	(Total Voluntary Permanent Employee Separations / Total Permanent Employee Separations) x 100	
% of Involuntary Separation	(Total Involuntary Permanent Employee Separations / Total Permanent Employee Separations) x 100	
Turnover Rate by Gender		**GRI 401-1**
Turnover Rate for Male	(Total Male Permanent Employee Separations / Total Male Permanent Employees) x 100	
Turnover Rate for Female	(Total Female Permanent Employee Separations / Total Female Permanent Employees) x 100	
% of Employee Separations by Gender		**GRI 401-1**
% of Male Separation	(Total Male Permanent Employee Separations / Total Permanent Employee Separations) x 100	
% of Female Separation	(Total Female Permanent Employee Separations / Total Permanent Employee Separations) x 100	
Turnover Rate by Age Group		**GRI 401-1**
Turnover Rate for Below 30 years old	(Total Below 30 years old Permanent Employee Separations / Total Below 30 years old Permanent Employees) x 100	
Turnover Rate for Between 30 to 50 years old	(Total Between 30 to 50 years old Permanent Employee Separations / Total Between 30 to 50 years old Permanent Employees) x 100	
Turnover Rate for Above 50 years old	(Total Above 50 years old Permanent Employee Separations / Total Above 50 years old Permanent Employees) x 100	
% of Employee Separations by Age Group		**GRI 401-1**
% of Below 30 years old Separation	(Total Below 30 years old Permanent Employee Separations / Total Permanent Employee Separations) x 100	
% of Between 30 to 50 years old Separation	(Total Between 30 to 50 years old Permanent Employee Separations / Total Permanent Employee Separations) x 100	
% of Above 50 years old Separation	(Total Above 50 years old Permanent Employee Separations / Total Permanent Employee Separations) x 100	
Turnover Rate by Region		**GRI 401-1**
Turnover Rate for NCR	(Total NCR Permanent Employee Separations / Total NCR Permanent Employees) x 100	
Turnover Rate for Luzon	(Total Luzon Permanent Employee Separations / Total Luzon Permanent Employees) x 100	
Turnover Rate for Visayas	(Total Visayas Permanent Employee Separations / Total Visayas Permanent Employees) x 100	
Turnover Rate for Mindanao	(Total Mindanao Permanent Employee Separations / Total Mindanao Permanent Employees) x 100	
Turnover Rate for Outside the Philippines	(Total Outside the Philippines Permanent Employee Separations / Total Outside the Philippines Permanent Employees) x 100	
% of Employee Separations by Region		**GRI 401-1**
% of NCR Separation	(Total NCR Permanent Employee Separations / Total Permanent Employee Separations) x 100	
% of Luzon Separation	(Total Luzon Permanent Employee Separations / Total Permanent Employee Separations) x 100	
% of Visayas Separation	(Total Visayas Permanent Employee Separations / Total Permanent Employee Separations) x 100	
% of Mindanao Separation	(Total Mindanao Permanent Employee Separations / Total Permanent Employee Separations) x 100	
% of Outside the Philippines Separation	(Total Outside the Philippines Permanent Employee Separations / Total Permanent Employee Separations) x 100	

HR - Training and Development		
Emloyee Training	**Formula**	**Notes**
Average Training Hours		**GRI 404-1**
Employee	Total Employee Training Hours / Total Permanent Employees	
Average Training Hours per Gender		**GRI 404-1**
Male	Total Employee Training Hours for Male Employees / Total Male Permanent Employees	
Female	Total Employee Training Hours for Female Employees / Total Female Permanent Employees	
Average Training Hours per Level		**GRI 404-1**
Rank-and-File Employee	Total Employee Training Hours for Rank-and-File Employees / Total Rank-and-File Permanent Employees	
Junior Management	Total Employee Training Hours for Junior Management Employees / Total Junior Management Permanent Employees	
Middle Management	Total Employee Training Hours for Middle Management Employees / Total Middle Management Permanent Employees	
Senior Management	Total Employee Training Hours for Senior Management Employees / Total Senior Management Permanent Employees	
Average Amount Spent on Training		**GRI 404-1**
Employee	Total Amount Spent on Training / Total Permanent Employees	
Average Amount Spent on Training per Gender		**GRI 404-1**
Male	Total Amount Spent on Training for Male Employees / Total Male Permanent Employees	
Female	Total Amount Spent on Training for Female Employees / Total Female Permanent Employees	
Average Amount Spent on Training per Level		**GRI 404-1**
Rank-and-File Employee	Total Amount Spent on Training for Rank-and-File Employees / Total Rank-and-File Permanent Employees	
Junior Management	Total Amount Spent on Training for Junior Management Employees / Total Junior Management Permanent Employees	
Middle Management	Total Amount Spent on Training for Middle Management Employees / Total Middle Management Permanent Employees	
Senior Management	Total Amount Spent on Training for Senior Management Employees / Total Senior Management Permanent Employees	

HR - Training and Development		
Employee Appraisals	**Formula**	**Notes**
Appraisal Rate		
Appraisal Rate	(Total Employees Appraised / Total Employees Eligible for Appraisal) x 100	
% of Employees Appraised by Gender		
Male	(Total Male Employees Appraised / Total Employees Appraised) x 100	
Female	(Total Female Employees Appraised / Total Employees Appraised) x 100	
% of Employees Appraised by Level		
Rank-and-File Employee	(Total Rank-and-File Employees Appraised / Total Employees Appraised) x 100	
Junior Management	(Total Junior Management Employees Appraised / Total Employees Appraised) x 100	
Middle Management	(Total Middle Management Employees Appraised / Total Employees Appraised) x 100	
Senior Management	(Total Senior Management Employees Appraised / Total Employees Appraised) x 100	

HR - Training and Development		
Employee Promotions	**Formula**	**Notes**
% of Employee Promotions by Gender		
Male	(Total Male Employee Promotions / Total Employee Promotions) x 100	
Female	(Total Female Employee Promotions / Total Employee Promotions) x 100	
% of Employee Promotions by Level		
Rank-and-File Employee	(Total Rank-and-File Employee Promotions / Total Employee Promotions) x 100	
Junior Management	(Total Junior Management Employee Promotions / Total Employee Promotions) x 100	
Middle Management	(Total Middle Management Employee Promotions / Total Employee Promotions) x 100	
Senior Management	(Total Senior Management Employee Promotions / Total Employee Promotions) x 100	

HR - Employee Benefits		
Employee Benefits	**Formula**	**Notes**
Total Employees Who Availed Parental Leave By Gender	Total Male Employees Who Availed Parental Leave+Total Female Employees Who Availed Parental Leave	
% of Male Employees Who Availed Parental Leave	(*Total Male Employees Who Availed Parental Leave* / *Total Employees Who Availed Parental Leave*) x 100	
% of Female Employees Who Availed Parental Leave	(*Total* Fem*ale Employees Who Availed Parental Leave* / *Total Employees Who Availed Parental Leave*) x 100	
% of LGBTQAI+ Employees Who Availed Parental Leave	(*Total* LGBTQAI+ *Employees Who Availed Parental Leave* / *Total Employees Who Availed Parental Leave*) x 100	Notes: LGBTQIA+ will not be disclosed until further advised.
Total Employees Who Returned to Work After Parental Leave	Total Male Employees Who Returned to Work After Parental Leave+Total Female Employees Who Returned to Work After Parental Leave	
Return-to-Work Rate	(Total Rank-and-File Employee Promotions / Total Employee Promotions) x 100	
Return to Work Rate for Male	(Total Male Employees Who Returned to Work After Parental Leave / *Total Employees Who Availed Parental Leave*) x 100	
Return to Work Rate for Female	(Total Female Employees Who Returned to Work After Parental Leave / *Total Employees Who Availed Parental Leave*) x 100	
Return to Work Rate for LGBTQAI+	(Total LGBTQAI+ Employees Who Returned to Work After Parental Leave / *Total Employees Who Availed Parental Leave*) x 100	
Total Employees Who Remained in the Company 12 Months After Parental Leave	Total Male Employees Who Remained in the Company 12 months After Parental Leave+Total Female Employees Who Remained in the Company 12 months After Parental Leave	
Retention Rate	(Total Employees Who Remained in the Company 12 months After Parental Leave / Total Employees Who Returned After Parental Leave in the prior reporting period) x 100	
Retention Rate for Male	(Total Male Employees Who Remained in the Company 12 months After Parental Leave / Total Male Employees Who Returned After Parental Leave in the prior reporting period) x 100	
Retention Rate for Female	(Total Female Employees Who Remained in the Company 12 months After Parental Leave / Total Female Employees Who Returned After Parental Leave in the prior reporting period) x 100	
Retention Rate for LGBTQAI+	(Total LGBTQAI+ Employees Who Remained in the Company 12 months After Parental Leave / Total LGBTQAI+ Employees Who Returned After Parental Leave in the prior reporting period) x 100	Notes: LGBTQIA+ will not be disclosed until further advised.
% of Employees Covered By Collective Bargaining Agreement	(Total Employees Covered By Collective Bargaining Agreement / Total Permanent Employees) x 100	

Document Version History

Version	Date	Author	Changes
1.0	8/20/2026	SM Sustainability Office	Initial Draft
2.0	11/11/2026	SM Sustainability Office	Added Base-Year Recalculation Policy