



SBS PHILIPPINES
CORPORATION

Your Strategic Chemical Supply Partner



Building Value Through Responsible Innovation

2025 SUSTAINABILITY REPORT

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Chairman's Message



Dear Readers:

As a result of a shift in just over a year in political ideologies from countries such as the United States, sustainability has quickly transitioned from the silver bullet that will solve many of the world's problems to a discredited concept. While many in the Philippines and abroad have abandoned or reduced their emphasis in this important area, SBS has continued to stay on the course that was set in 2019, when it first articulated its sustainability strategy.

We at SBS commit ourselves to the soundness of this strategy despite the challenges and setbacks that we have experienced on this journey. Last year I pointed out to you that, despite significant achievements in areas under its control, the company did not meet its goals in market-dependent areas. Unfortunately, this continued in 2025 as weak demand in key market segments resulted in minimal growth in the direct economic value generated by the company. Despite this disappointment, we are proud of the fact that SBS still managed to make significant headway during the year in terms of increasing revenue from providing environmentally-safe chemicals for the water and wastewater business segment. These revenues are now very close to the target of 3.0 times the level of revenue from the segment reported in 2021. Other notable achievements during the year involved providing for the majority of our energy needs from the company's own renewable energy programs and our occupational and safety record which has seen SBS reach almost 70% of our targeted 1-million safe man-hours goal since September 2022.

Our efforts in this area continue to receive public recognition. In 2025, SBS was awarded the 3 Golden Arrow award by the Institute of Corporate Directors for achieving a score of 98.02 under the ASEAN Corporate Governance Scorecard. This marks its highest score since we first began tracking the measure in 2017.

The current economic and geopolitical climate both in the Philippines and abroad does not provide much cause for optimism for a shift in focus back to sustainability. Despite this, we at SBS will continue to forge ahead and seek new ways to manage, measure and report on the progress of our sustainability journey. A key feature of this year's report involves the adoption of key sustainability topics based on stakeholder feedback. This marks the first time since we began releasing our annual sustainability report that our goals have been aligned with those of our various stakeholders. The twenty-two material topics presented on pages 12-13 of the report highlight the expectations which the company's stakeholders want its leadership to focus on in the years ahead. This is the only way to ensure the company's ability to endure over the long-term.



RICARDO NICANOR N. JACINTO
Chairman of the Board
SBS Philippines Corporation

Our Company

SBS Philippines Corporation (the "Company") is an importer, wholesaler, and distributor of a wide range of chemical products serving a diverse set of industries which includes food and beverage, industrial and detergents, feeds and agriculture, water treatment, pharmaceuticals and personal care, building and constructions, and mining and minerals. As a full line chemical distribution company, it provides for a one-stop-shop business solution for various chemical requirements of its market customers.

In step with best Corporate Governance practices, we recently revisited and restated our Company Vision, Mission and Core Values statements to more clearly reflect our beliefs and aspirations as a Company and provide a clearer reference point for all that we do to build and sustain our future.

VISION



To be the leading strategic chemical solution partner by 2030, recognized as among the top 5 suppliers in each of the major industries we serve.

MISSION



SBS is dedicated to providing the finest range of chemical products and services while upholding the highest standards of safety, environmental responsibility, and customer satisfaction. We aim to be the go-to partner for businesses seeking chemical solutions that drive progress, protect the environment, and enhance safety. Our success is measured not only in profit but also in the positive impact we make for our stakeholders and in the communities where we operate.

GOALS



We will accomplish our mission by:

- Distributing a wide range of top quality, innovative and cost-efficient products, solutions and systems.
- Extending reliable customer service at all times.
- Nurturing strong, long-term relationships with suppliers, customers and other stakeholders.
- Ensuring the safety and well-being of our employees.
- Expanding our geographical reach by seeking new markets and opportunities.
- Actively managing all identified forms of corporate and environmental risks.

CORE VALUES



- Customer-centric Mindset
- Honesty and Integrity
- Excellence
- Perseverance
- Mutual Respect and Teamwork
- Faith in God Almighty

SBS Philosophy on Sustainability

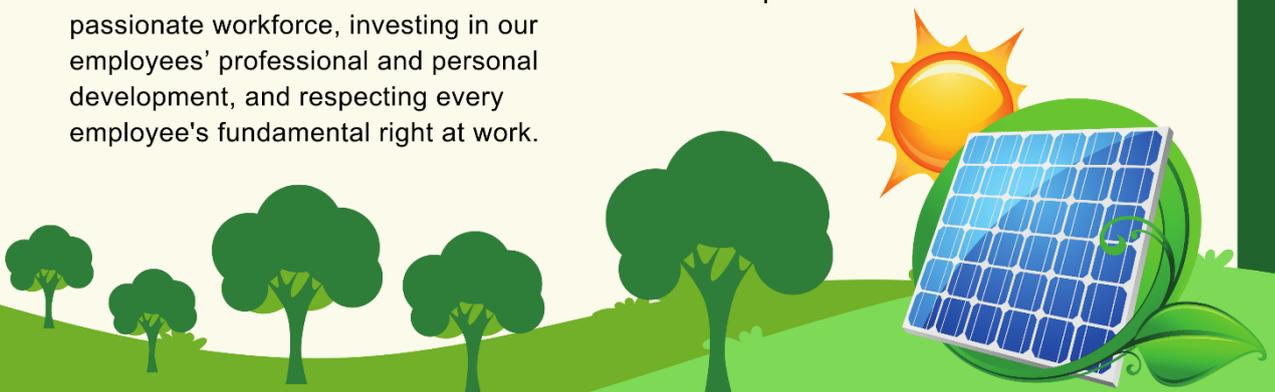
Our Sustainability



SBS Philippines Corporation takes a holistic approach to sustainability, as detailed in our Sustainability Policy ([SBS Sustainability Policy](#)). Our focus on Environment, Social, and Governance (ESG) standards recognizes the importance of these criteria in measuring our impact on society and ensuring the Company's long-term success.

Our Commitment

- Provide service excellence and continuously seek new business opportunities to improve the Company's financial viability and maximize shareholder value.
- Promote a strong corporate governance culture and conduct its business following ethical business principles across the organization.
- Prioritize the introduction of sustainable products and solutions to offer our customers access to eco-friendly and safe raw materials, additives, and process aids across the entire value chain.
- Intensify our action in support of circular economy and invest in appropriate technology to reduce greenhouse gases emission and enhance the use of available environmental protection initiatives needed as a result of our operations.
- Operate the company in a safe working condition that protects the health and well-being of our employees, service providers and the communities we operate in.
- Collaborate with our business partners, customers, local communities, regulators, civil society, shareholders and other stakeholders to advance all efforts including our Corporate Social Responsibility activities in support of United Nation's Sustainable Development Goals.
- Create a dynamic workplace environment anchored on a diverse and passionate workforce, investing in our employees' professional and personal development, and respecting every employee's fundamental right at work.



Organizational Profile and Business Activities

SBS Philippines Corporation (the “Company” or “SBS”) - formerly known as Sytengco Philippines Corporation - was incorporated on July 17, 2001. The change to its present name was approved by the Securities and Exchange Commission (SEC) on November 18, 2014, while the Company became a publicly listed company and was admitted to the Main Board of the Philippine Stock Exchange on August 10, 2015.

The Company has the following industry memberships:

1. Philippine Rubber Industries Association, Inc. (PRIA)
2. Philippine Chamber of the Pharmaceutical Industry, Inc. (PCPI)
3. Chamber of Cosmetics Industry of the Philippines, Inc. (CCIP)
4. Samahan sa Pilipinas Ng Mga Industriyang Kimika (SPIK)
5. Philippine Association of Chemical Suppliers, Inc. (PACSI)
6. Philippine Chamber of Commerce & Industry, Inc. (PCCI)
7. Philippine Food Processors and Exporters Organization, Inc. (PHILFOODEX)
8. Philippine Exporters Confederation, Inc. (PHILEXPORT)

The Company’s principal place of business is at No. 10 Rest Haven Street, San Francisco Del Monte, Quezon City, Philippines. Currently, the Company maintains a network of 15 distribution warehouses in the Greater Manila Area and in the province of Bulacan. Furthermore, the warehouse operations follow appropriate warehousing practices in the pursuit of its vision and goals in the supply of products and services to stakeholders, particularly its customers. SBS also has a Halal-certified warehouse that stores various raw ingredients to supply the manufacturers in the food industry.

The Company adheres to applicable regulatory measures and standards implemented by various government institutions.



The Core Chemical Distribution Business



Food Ingredients

We pride ourselves on our extensive and ever-expanding range of products, which include sweeteners, stabilizers, emulsifiers, minerals, antioxidants, phosphates, vitamins, hydrocolloids, basic and functional ingredients, acidulants and preservatives.

Industrial

For more than fifty (50) years, SBS has been supplying the needs of many different Philippine industries. We understand that competitive pricing and superior quality of raw materials ensure that the products of our clients are among the best performers in their respective markets. Whether our customers are big or small, established multinationals or local start-ups, we strive to provide them with our best service.



Animal Health and Nutrition

SBS Philippines Corporation continues to add value to the Agribusiness, Feeds and Veterinary Care sectors by offering an extensive range of raw materials for formulators and manufacturers. We continually seek new sources of materials to improve the quality of our customers' products and lower their costs.

Pharmaceutical

Our careful selection of quality products from all corners of the globe allows our stakeholders in the Pharmaceutical and Nutraceutical sectors the freedom to tailor their products and take advantage of innovative technologies and trends.





Personal Care and Cosmetics

Our careful selection of quality products developed through new technologies from leading raw material manufacturers allow formulators in the Personal Care and Cosmetics sectors to tailor their products according to the needs of their clients.

Infrastructure and Construction

SBS supplies a range of environment friendly chemical products and additives for:

- waterproofing of concrete structures
- effective dust control of unpaved roads
- enhancing the performance of asphalt road surfaces
- and for an economical and sustainable soil base for most types of road infrastructure.



Water Treatment

SBS Philippines Corporation has a proud tradition of supplying quality water and wastewater treatment products to many industrial customers and service providers. We know that innovation, safety, efficiency, and dependability are paramount in the treatment of one of the world's most precious resources: water.

Agriculture and Sustainable Bio-Farming

Through the strengthening of established relationships, SBS Philippines Corporation continues to add value to the Agriculture and Sustainable Farming Sector with supply of quality fertilizers, fertilizer trace elements, soil improvers, and specialty materials.



Governance

SBS Board and Committees

The Board of Directors (the “Board”) is the principal governing body responsible to oversee the business and affairs of the SBS and chart its sustainable development goals. The Board works together to provide strategic direction, entrepreneurial leadership and responsible stewardship guidance to Management. It is responsible, among others, for approving of the Company’s annual business plans, the issuance of its financial statements, adoption or amendment of an internal control system and procedures for the acquisition or disposal of assets, lending funds to other parties, material transactions of assets, monetary loans, endorsements or guarantees and offering, issuance, or private placement of any equity-type securities.

The Board of Directors currently comprises of nine (9) directors: the chairman of the board who is a non-executive director, five (5) executive directors, and three (3) independent directors. The members of the board are equipped with specialized competencies in business management, supply chain, sales and marketing, and finance and with specialized competencies in audit and internal control, corporate governance and risk management, business development and strategy formulation.

The board as well as its committees conduct annual self-assessment in order to determine and assess its performance.

To assist the Board in discharging its responsibilities, six (6) standing committees of the Board were constituted, namely, the Executive Committee, the Audit and Risk Oversight Committee, the Corporate Governance and Sustainability Committee, the Related Party Transaction Committee, the Nomination and Remuneration Committee, and the Finance and Investment Committee. The work and actions of these committees are regularly reported to and monitored by the Board.

Executive Committee (ExeCom)

The Executive Committee of the Board, composed entirely of all the five (5) executive directors, take actions on behalf of the Board during the period between Board meetings to exercise its delegated powers to act on routine operational matters, non-capital asset transactions, loans and credit facilities for working capital, and designation of nominee directors for election in the Board of Subsidiaries and its power to act on urgent critical matters which requires immediate disposition when the board cannot validly convene. All such actions taken by the Executive Committee are subject to ratification by the full Board at its next meeting.

Audit and Risk Oversight Committee (AROC)

The Audit and Risk Oversight Committee assists the Board in fulfilling its oversight responsibilities for the financial reporting process, enterprise risk management, system of internal control, the audit process, and for monitoring compliance with laws and regulations. It is composed of three (3) directors, all of whom are independent directors and meets at least on a quarterly basis or as often as may be necessary.

Corporate Governance and Sustainability (CGS) Committee

The role of the Committee is to assist the Board in the performance of its corporate governance responsibilities, including the fulfillment of its commitments in the areas related to environmental, social responsibility, and sustainability. The committee is tasked to assess the effectiveness of the Company's governance, ethics and sustainability policies and its compliance thereto. It reviews the adequacy and effectiveness of the Company's Sustainability Policy, oversee its implementation, and recommend changes and action plans to the Board, as needed. This is to help ensure the fulfillment of the Company's commitments, especially in the areas related to environmental, social responsibility, and sustainability aspects, that are relevant and material to the Company's primary stakeholders; and where the Company has significant impact on. The CGS Committee also review and endorse to the Board for approval the Annual Sustainability Report of the Company. The CGS is composed of three (3) independent directors and two (2) executive directors and meets at least twice a year or as often as may be necessary.

Related Party Transaction (RPT) Committee

The RPT Committee assists the Board in fulfilling its oversight responsibilities for the prudent and sound management of related party transactions of the Company in alignment with the principles and rules established in the RPT Policy of the Company. The Committee, composed of three (3) directors, all of whom are independent directors, meets at least twice a year or as often as may be necessary to evaluate transactions of the Company with its related parties to ensure they are carried out in accordance with the corporate interest, on arms'- length terms, and with appropriate protection for the interest of the Company, shareholders and other stakeholders.

Nomination and Remuneration (NomRem) Committee

The Nomination and Remuneration Committee of the Board leads the screening process for nominations for election to the Board of Directors and appointments as executive officers of the Company with the goal of selecting competent candidates to foster the long-term success of the Company and promote the best interests of its stakeholders. The Committee also assists the Board in setting the compensation policies of directors and senior executive officers, the standards and criteria for their leadership development and ensuring that the Company's human capital and talent pool are adequate. The Committee is currently composed three (3) Non-Executive and two (2) Executive Directors and meets at least twice a year or as often as may be necessary.

The Finance and Investment Committee (FIC)

The Finance and Investment Committee of the Board assists the Board in overseeing the financial affairs of the Company and to make recommendations regarding the Company's investments and projects, its funding allocations and other significant financing activities. The committee, composed of five (5) directors, two (2) of whom are independent directors, meets at least twice a year or as often as may be necessary.

SBS Board Remuneration

Since June 2022, acting on the recommendation of the Nomination and Remuneration Committee, the shareholders of the Corporation approved and fixed the per diem allowances for the Board meeting attendance of each Independent and Non-Executive Directors as follows which remain unchanged to-date:

	Board Meetings (Regular & Special)	Board Committee Meetings
Independent and Non- Executive Directors	P35,000.00 per meeting attended	P20,000.00 per meeting attended

Directors who hold executive or management positions do not receive director fees or per diem allowances for services rendered as a director. Other than the payment of reasonable per diem allowances as discussed above, there are no other arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

Policy Commitments of SBS

Policy	Description	Link
Revised Code of Business Conduct and Ethics	The Company is strictly committed to operate and transact its business in an ethical, legal, and socially responsible manner.	https://www.sbsph.com/wp-content/uploads/2025/12/REVI SED-CODE-OF-BUSINESS-CONDUCT-AND-ETHICS-18-DEC-2025.pdf
Bribery, Anti-Corruption and Fraud Prevention	The Company does not tolerate any form of corruption or bribery to secure any kind of improper business advantage.	Provided under the Revised Code of Business Conduct and Ethics
Conflict of Interest	All directors, officers and employees have a duty to always act in, and uphold the best interests of the Company and exhibit loyalty to the Company. Directors, officers and employees are prohibited to use their position in the Company to acquire a benefit or advantage for their own interest or those related to them or to benefit third parties to the prejudice of the Company.	https://www.sbsph.com/wp-content/uploads/2025/11/SBS-Philippines-Corporation-Conflict-of-Interest-Policy-2025.pdf
Revised Whistleblowing Policy	Established for a secured and confidential way of reporting misconduct, ensuring that concerns are heard without fear of retaliation. Misconduct, in any form, are not tolerated. Through this policy, SBS provide a clear channel for reporting wrongdoing, supporting our commitment to integrity and accountability in every aspect of our business.	https://www.sbsph.com/wp-content/uploads/2025/03/REVI SED-WHISTLEBLOWING-POLICY-25-FEB-2025.pdf

Responsible Sourcing Policy	SBS set the relevant requirements and standards that we expect our suppliers to adhere to across their own, as these are the standards that SBS follow to achieve growth.	https://www.sbsph.com/wp-content/uploads/2022/05/SBS-Responsible-Sourcing-Policy.pdf
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The Revised Code of Business Conduct and Ethics of the company mandates the company to observe compliance with all applicable laws, regulations, rules, regulatory orders, policies, and internal guidelines.

About This Report

Reporting Scope and Boundary

The 2025 Sustainability Report (the “Report”) is the third comprehensive report of SBS on the Company’s sustainability performance as of and for the year ended December 31, 2025, unless otherwise indicated.

The Report covers the operations and the employees of SBS Philippines Corporation excluding its subsidiary SBS Holdings and Enterprises Corporation and associated companies.

We have considered the following stakeholders in our assessment of key material topics: customers, suppliers, employees, shareholders, regulators, and the local communities where SBS operates.

All financial data and general information about the business found in this report have been disclosed in our 2025 Annual Report. Internal reviews and verification processes have been conducted to ensure the accuracy of the non-financial information presented in this report. We have not sought external assurance for this report.

Economic Performance Boundary

The economic performance data presented in this report is taken from the financial statements as of and for the year ended December 31, 2025, covering SBS Philippines Corporation.

Reporting Approach

The SBS Sustainability Team (the ‘Sustainability Team’) developed a framework using the Materiality Principle to identify the key material topics considered to have a significant impact on the Company’s operations and its various stakeholders using both qualitative and quantitative metrics that were gathered from internal and external sources.

Sustainability Reporting Guidelines and Standards

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards and the sustainability reporting guide provided by the Philippines SEC in Memorandum Circular No. 4, series of 2019.

In 2025, SEC issued a Memorandum Circular No. 16 announcing the adoption of Philippine Financial Reporting Standards (PFRS) on Sustainability Disclosures and Issuance of Reporting Guidelines for Publicly Listed Companies and Large Non-Listed Entities. Being in Tier 2, SBS shall comply with the PFRS on 2027 reporting period. In preparation to this, SBS Internal Audit had reviewed the policies and procedures of the Sustainability Report of 2025, and will be involved in the validation for the 2026 Sustainability Report.

Materiality Assessment

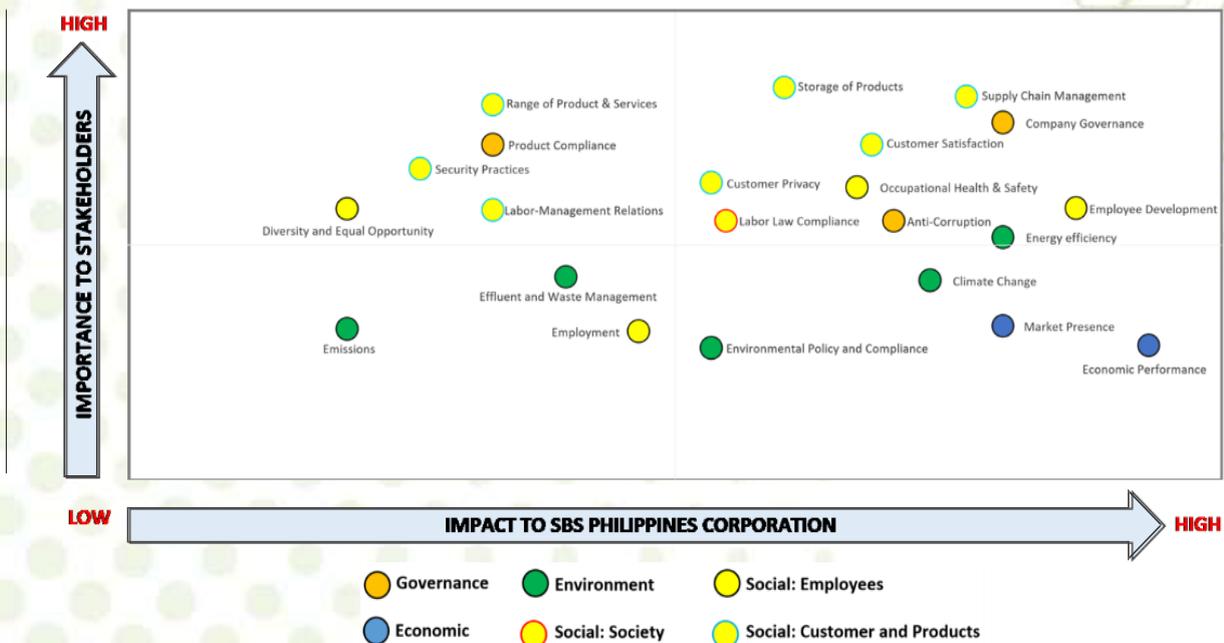
The key topics addressed in our sustainability strategy are based on the materiality assessment. In 2025, the Sustainability Team conducted a series of workshops and internal review processes to generate a list of potential material topics and a list of stakeholder groups. Based on the feedback generated from these activities, the Sustainability Team identified two (2) criteria that would determine whether a topic is material to the Company: (1) its importance to stakeholders and; (2) the significance of impact of SBS (in terms of economic, environment, social, and governance).

From a list of 39 potential topics, 22 topics have emerged as material and important to various stakeholders after being evaluated and prioritized by the Sustainability Team and validated and approved by the Executive Committee.

To ensure that our materiality assessment reflects the concerns of those we impact, we conducted targeted consultations. The feedback gathered from our stakeholders, e.g. the employees, through the EHS Committee, reinforced the critical importance of 'Occupational Health and Safety' as one of the top-tier material topic.



Materiality Matrix



Our Material Aspects

Category	Type
<i>Economic Aspects</i>	Economic Performance
	Market Presence
<i>Environmental Aspects</i>	Climate Change
	Energy efficiency
	Emissions
	Effluent and Waste Management
	Environmental Policy and Compliance
<i>Governance</i>	Anti-Corruption
	Company Governance
	Product Compliance
<i>Social: Customer and Products</i>	Labor-Management Relations
	Security Practices
	Storage of Products
	Customer Satisfaction
	Customer Privacy
	Supply Chain Management
	Range of Product & Services
<i>Social: Employees</i>	Employment
	Occupational Health & Safety
	Employee development
	Diversity and Equal Opportunity
<i>Social: Society</i>	Labor Law Compliance

Stakeholders Engagement

Our sustainability approach places primary importance on the sustainability issues of concern of our stakeholders. Stakeholders are considered important contributors and/or influencers in the implementation of our strategies and attainment of our objectives. Their feedback helps us develop our initial materiality matrix and define our targets.

The Company continues to strengthen its engagement with the stakeholders through various activities and channels and with a variety of frequency depending on these activities, which include, but are not limited to the following:

Stakeholders	Stakeholders Engagement	Frequency
Customers	<p>SBS nurtures a strong, long-term relationship with its customers, and it is the Company's goal to extend reliable customer service at all times.</p> <p>SBS engages with its customers through:</p> <ul style="list-style-type: none"> customer satisfaction surveys that generate customers' feedback on SBS products and services; and regular customer calls and visits, exchange of information and technical cooperation. 	<p>ANNUAL</p> <p>DAILY / AS NEEDED</p>

Employees	<p>Ensuring the safety and well-being of employees is important to SBS, especially with the types of products it handles. Effective engagement with employees is a prerequisite for the Company in achieving its targets, and we do this through:</p> <ul style="list-style-type: none"> • a Performance Management System that includes a review of employee training and development paths in the organization; • regular meetings of the Environment, Health and Safety Committee which focus on employees' health and work safety issues. 	<p>ANNUAL DAILY / AS NEEDED</p>
Shareholders	<p>SBS is committed to generate competitive returns for its investors and shareholders and seeks to establish regular lines of communication with them through:</p> <ul style="list-style-type: none"> • Annual Shareholders' Meeting; • announcements, press releases and updates through the website www.sbsph.com and on the PSE website https://edge.pse.com.ph/; and • the Investor Relations Office which can be contacted through email ir@sbsph.com. 	<p>ANNUAL / QUARTERLY / AS NEEDED</p>
Suppliers	<p>SBS collaborates with its suppliers to seek new markets and opportunities, as well as improve penetration of existing markets. The Company continuously engages with them through:</p> <p>Supplier Information forms that evaluate their reliability in providing quality products and services for SBS; and</p> <p>collaboration and constant communication to ensure alignment of each party's expectations and actions.</p>	<p>ANNUAL DAILY / AS NEEDED</p>
Regulators	<p>The Company conducts regular dialogues with and participates in seminars and workshops conducted by various regulating agencies to keep up-to-date with any changes in rules and regulations that affect the business.</p> <p>SBS endeavors to adhere to all the compliance requirements imposed by the different regulatory bodies in pursuit of excellence in its business operations.</p>	<p>ANNUAL</p>
Local Community	<p>SBS engages with the communities where it operates in through local government units and various social organizations. The Company aims to be a good corporate citizen by aiding the development of these communities in the areas of health and wellness, education and by providing assistance to those in public service.</p>	<p>ANNUAL / AS NEEDED</p>

Sustainability Report Feedback

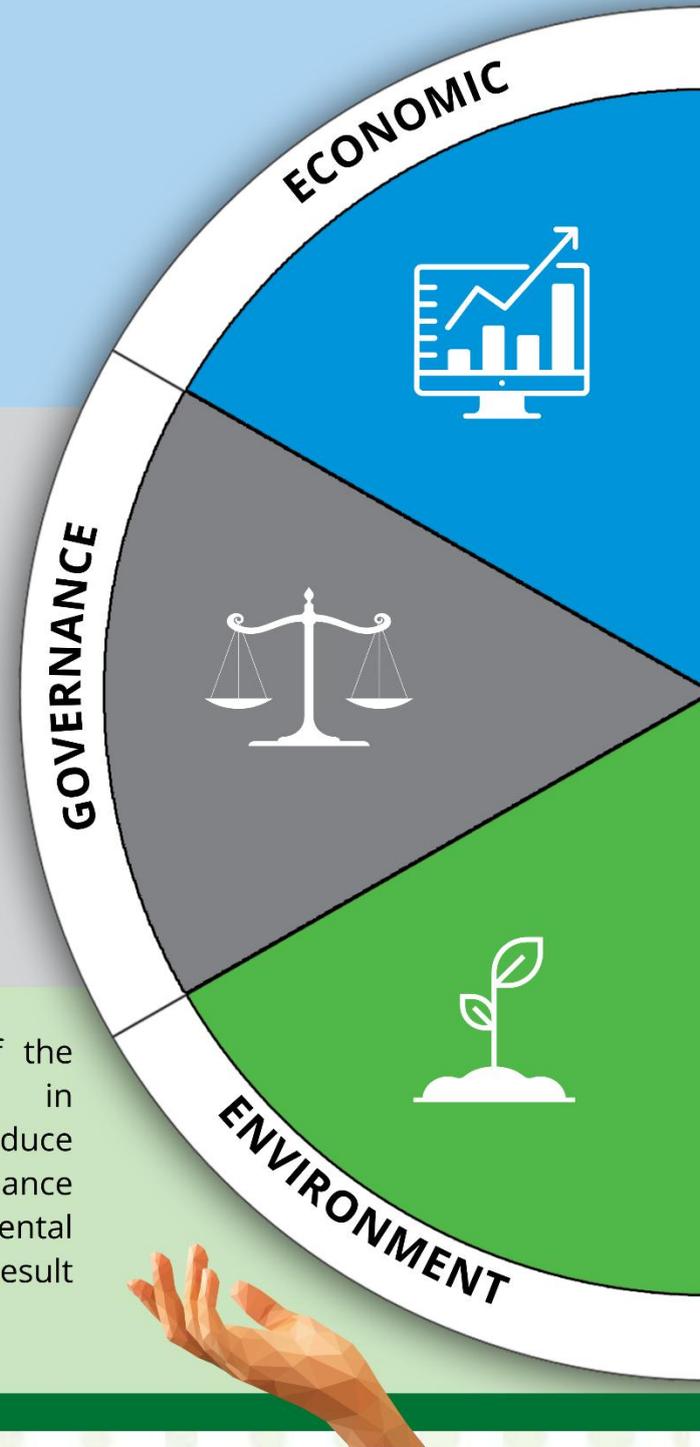
We welcome feedback from all stakeholders. Kindly send your comments, questions and/or suggestions relating to this report to sustainability@sbsph.com.

Key Sustainable Development Goals

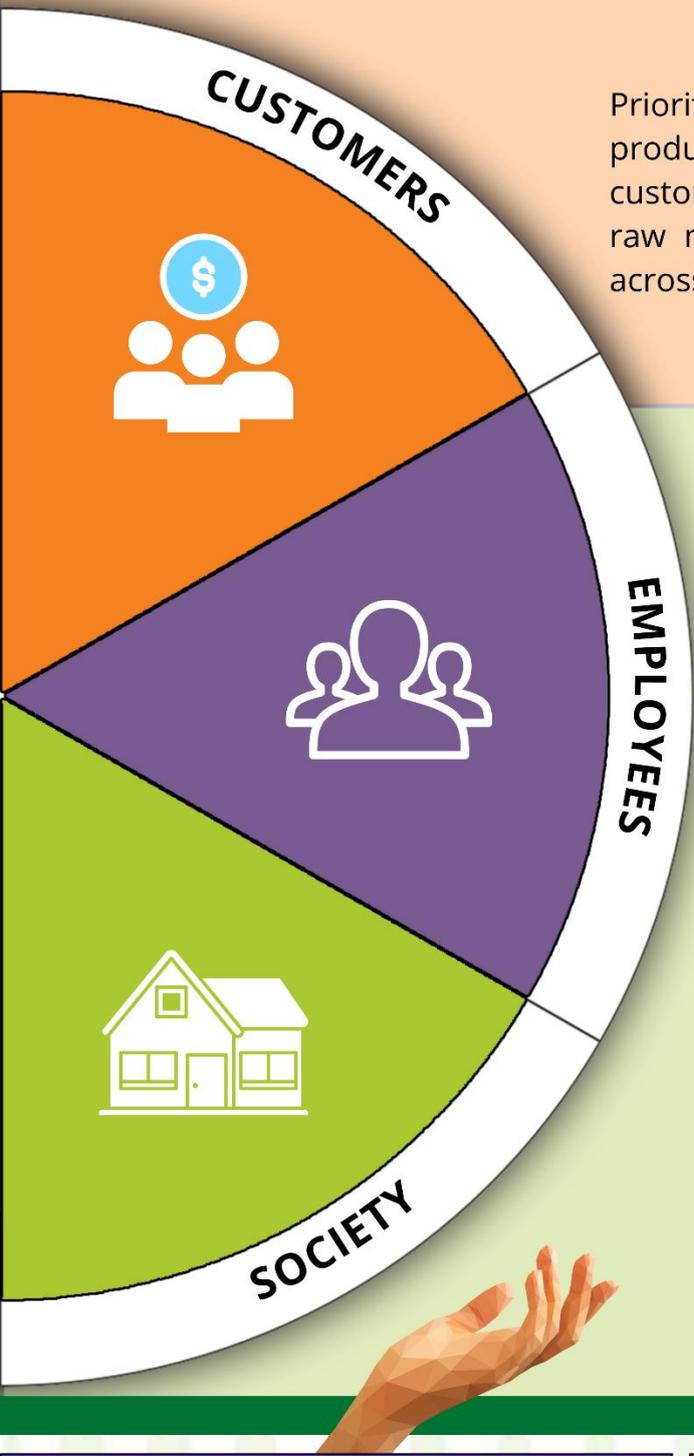
Provide service excellence and continuously seek new business opportunities to improve the Company's financial viability and maximize shareholder value.

Promote a strong corporate governance culture and conduct its business following ethical business principles across the organization.

Intensify our action in support of the circular economy and invest in appropriate technology to reduce greenhouse gases emission and enhance the use of available environmental protection initiatives needed as a result of our operations.



**WE COLLABORATE
WITH EVERYONE**



Prioritize the introduction of sustainable products and solutions to offer our customers access to eco-friendly and safe raw materials, additives and process aids across the entire value chain.

Operate the company in a safe working condition that protects the health and well-being of our employees, service providers and the communities we operate in.

Create a dynamic workplace environment anchored on a diverse and passionate workforce, investing in our employees' professional and personal development, and respecting every employee's fundamental rights at work.

Collaborate with our business partners, customers, local communities, regulators, civil society, shareholders and other stakeholders to advance all efforts including our Corporate Social Responsibility activities in support of United Nation's Sustainable Development Goals.



SBS' Contribution to the UN SDG's

The United Nations has vowed that its members would implement 17 Sustainable Development Goals (SDGs) between 2015 and 2030 to decrease poverty, promote prosperity, and safeguard the planet and its inhabitants. The SDGs encompass environmental, social, and economic objectives.

We have combined the SBS Sustainability Pillars with the UN SDGs to achieve our goals. We compared our initiatives to the best practices of comparable industries in order to improve people's lives, safeguard the environment, and create an environmentally friendly tomorrow.

SDG Goals	North Star Target	Strategies	Progress (December 31, 2025)
Goal 1: No Poverty	Triple direct economic value generated and grow direct employment by 50% from 2021 baseline number.	Create more employment opportunities by growing the Company's business activities in a sustainable way.	0.7% growth on direct economic value vs 2021 baseline. 8% growth on direct employment in 2025.
Goal 2: Zero Hunger	50% of agriculture segment revenue will be derived from newly introduced and sustainable agricultural inputs products from 2021 onwards.	Introduce products for Bio farming and Farm Revival to improve the yield of the farmland at competitive cost.	34% revenue growth in 2025 vs. 2021 baseline.
Goal 3: Good Health and Well-being	(1) Full implementation of health related policies and any violation to be accorded with corresponding penalty as defined in the policy. (2) Adoption of any new government regulations relating to the health of employees.	Incorporate health-related policies in the employee handbook.	(1) Implementation of Mental Health Workplace Policy. (2) Implementation of Magna Carta of Women – Special Leave Benefit.
	Provide additional medical benefits to all regular employees by 2030, apart from the mandated government health benefits that they can already use.	Enrolled HMO plans for regular employees meeting the employment service requirement in accordance to prevailing company policy.	86% of male and 71% of female regular employees are covered with HMO (as of December 31, 2025).
Goal 4: Quality Education	Increase the average number of training hours for all employees by 2030 to 24 hours annually by providing training to acquire relevant skills for their performance improvement, career development and financial success.	Conduct Employee Assessment annually to identify, monitor, and develop employees' skill sets and tailor the trainings based on the needed expertise for each employee.	12 hours: The average number of training hours for all employees for the year 2025.
Goal 5: Gender Equality	Maintain gender ratio within the 55:45 range based on its 2030 business activities. Provide a treatment room and lactation area accessible to the employees.	(1) Company policy on non-discrimination; equal opportunity employer. (2) Company policy on anti-bullying, anti-harassment, etc. (3) Company's Diversity Policy.	Generally balanced number of male and female employees (50:50 ratio in 2025 employee population).
Goal 6: Clean Water and Sanitation	Triple the revenue of the "water and wastewater business" segment from 2021 baseline.	Attuned our investments to our customers' growth and sustainability objectives.	2.4 times increase in the revenue of the "water and wastewater business" segment from 2021 baseline
Goal 7: Affordable and Clean Energy	Obtain at least 50% of electricity consumption from renewable energy sources by 2025 and seek opportunities for growth in this field.	Utilize solar panels as our source of electricity in the office and all our warehouses. Involve our employees in saving energy.	60% of 2025 company's electricity consumption was obtained from renewable energy source inclusive of the net metering adjustment.

Goal 8: Decent Work and Economic Growth	Attain and exceed "One Million Safe Man-Hours" goal.	(1) Collate and plan-out necessary trainings and seminars related to safety and readiness in partnership with suitable individual and/or institution. (2) Conduct regular facilities inspection.	692,512 Safe Man-hours attained as of December 31, 2025
Goal 9: Industry, Innovation and Infrastructure	Capex spending from 2021 to 2030 (> PhP 300 million)	Invest in new and efficient facilities and infrastructures to support company growth objectives and provide additional employment opportunities to the local community.	2021 to 2025 CAPEX spending reached P168.3M, including P22.8M on sustainability-related infrastructure and equipment
Goal 10: Reduced Inequality	Provide equal opportunity and reduce inequalities of outcome, including by eliminating any discriminatory policies and practices and promoting appropriate policies and action in this regard.	Measure the parity indices (by gender category) of available and/or availed benefits	See page 38
		Measure the parity indices (female / male, by employee category) of the trainings and relevant employee engagement activities provided to employees.	See page 39-41
Goal 12: Responsible Consumption and Production	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	(1) Set guidelines for reduction, recycling and re-use of packaging materials and office supplies; digitalization of certain business processes.	Launched the Used Plastic Bottle Minimization Program.
	Implement awareness and practices to minimize food waste.	(2) Company-wide awareness campaign and best practices on responsible and healthy food consumption.	For implementation in 2026.
Goal 13: Climate Action	50% reduction of companywide total GHG emission from 2019 baseline for electricity consumption and 2021 baseline for transport fuels. (*Baseline: 207 t-CO ₂) (Target reduction: 103.47 t-CO ₂) *recalculated based on the 2025 DOE emission factor	(1) Solar Panel installation. (2) Develop an efficient transport strategy to further reduce fuel consumption.	(1) 50% reduction in total GHG emission in 2025 compared to established baseline. (2) Acquired hybrid vehicles primarily for greenhouse gas emissions reduction as well as reduction in fuel consumption
Goal 14: Life Below Water	Provide solution to reduce plastic waste/pollution in ocean particular from land-based activities.	Implement waste segregation strategy and promote eco-friendly alternative to single-use plastics.	Donated Used Plastic Garbage Bin to Brgy. Bungad, Quezon City and Brgy. Lias, Marilao, Bulacan
Goal 15: Life on Land	Promote sustainable practices in farming, restore soil health, and support rehabilitation of forest.	Under review.	N / A

Strategy and Performance

Corporate Governance

Objective

SBS believes that the trust of its shareholders and other stakeholders is fundamental to the success of the business.

Management Approach

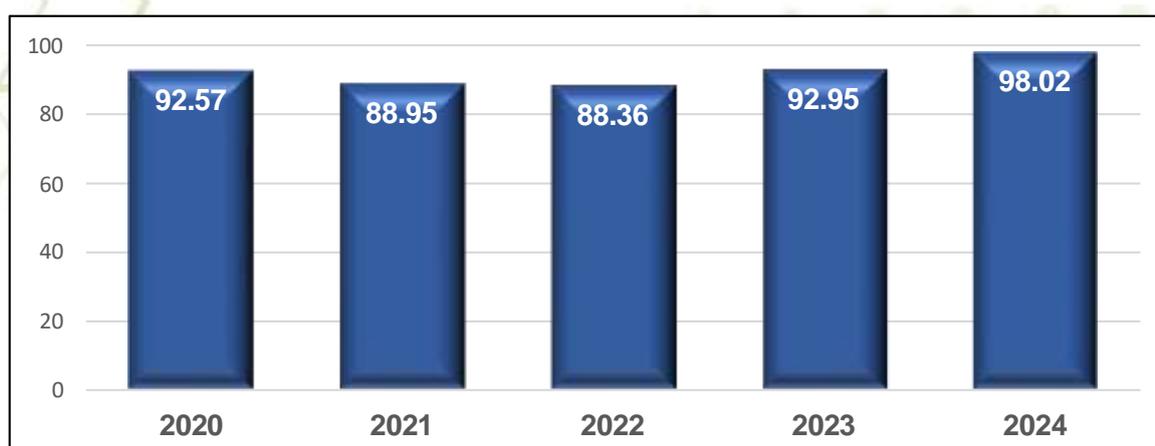
SBS has adopted the Code of Corporate Governance for Publicly Listed Companies issued by the Securities and Exchange Commission (SEC). Our Manual on Corporate Governance is reviewed annually by the Corporate Governance and Sustainability Committee, and any revisions are endorsed to the Board of Directors for approval. Details about our overall corporate governance practices can be found in the Corporate Governance Report section.

Performance Highlights

In 2025, the Institute of Corporate Directors (ICD), in partnership with the Securities and Exchange Commission (SEC), announced the conclusion of the 2024 assessment of the Philippine Publicly Listed Companies (PLCs) under the ASEAN Corporate Governance Scorecard (ACGS) where SBS attained 3 Golden Arrow Award equivalent to a score of 98.02. This milestone demonstrates SBS' commitment to align its business and organizational culture and corporate value system towards responsible stewardship.

The ACGS is a globally-benchmarked scoring system designed for improving the corporate governance performance of PLCs from participating ASEAN countries. It consists of questions based on the G20/OECD Principles of Corporate Governance. Bonus and penalty sections are included to recognize conformance with accepted best governance practices and to encourage addressing the challenging areas among PLCs. The assessment is done annually by ICD as the SEC's duly appointed domestic ranking body in the Philippines.

SBS Philippines Corporation 5-Year ASEAN CG Scorecard Results



Targets & Plans

SBS will continue to uphold the principles of good corporate governance which are essential for business sustainability. Furthermore, the Corporate Governance and Sustainability Committee will oversee the deep-dive review of the SBS' climate risk exposure to ensure that sustainability strategies are directly link to the asset protection and business continuity planning of the company.

Anti-Corruption

Objective

SBS Philippines Corporation aims to prevent and mitigate corruption-related risks by promoting ethical conduct, transparency, and compliance with applicable laws, rules, and regulations. The Company seeks to ensure that all employees and officers conduct business responsibly and in accordance with established ethical standards.

Management Approach

The Company implements policies and internal controls designed to prevent bribery, corruption, and other unethical practices. These policies are communicated to employees through orientations, internal issuances, and management directives.

SBS maintains mechanisms to support ethical conduct, including:

- Established standards of conduct governing employee behavior
- Awareness initiatives on ethics and compliance
- Reporting channels for suspected violations
- Disciplinary measures for non-compliance with company policies

Management oversees the implementation of these measures to ensure adherence to ethical standards across all levels of the organization.

Performance Highlights

During the reporting period, SBS Philippines Corporation conducted **anti-corruption awareness sessions** for employees to reinforce ethical standards and compliance expectations.

Training in Anti-Corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors' and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	0

Anti-Corruption Performance Indicators

Indicator	2025 Result	Remarks
Number of Anti-Corruption Trainings Conducted	3	Conducted as part of the employee onboarding program and company-wide refresher seminars
Reported Incidents of Corruption	0	No confirmed corruption-related incidents reported during the period

The absence of reported incidents reflects the Company's ongoing efforts to maintain a culture of integrity and ethical responsibility. In addition, the company updated its Code of Business Conduct and Ethics. Furthermore, in 2026, SBS will implement the Revised Employee Handbook and the Whistleblowing Reporting Procedures.

Targets and Plans

To further strengthen its anti-corruption framework, SBS Philippines Corporation plans to:

- Continue conducting regular anti-corruption and ethics awareness training for employees
- Reinforce policy communication through employee orientations and internal memoranda
- Strengthen monitoring and reporting mechanisms to ensure early detection of potential risks
- Promote ethical leadership and accountability at all levels of the organization

Through these initiatives, SBS aims to sustain a transparent, ethical, and responsible workplace that supports long-term organizational integrity and stakeholder trust.

Economic

Economic Performance

Objective

In 2025, SBS Philippines Corporation continued to uphold its commitment to generating long-term sustainable value for both shareholders and broader society. Despite a more challenging operating environment, SBS remained focused on financial discipline, cost optimization, and strategic reinvestment to sustain resilience and contribute meaningfully to the Philippine economy.

Management Approach

SBS continues to pursue its vision of becoming a comprehensive hub for chemical products, solutions, and services in the country. Anchored on its five-year business strategy, the Company's economic initiatives in 2025 centered around the following strategic pillars:

1. **Reliable and Delightful Customer Experience:**
 - Sustaining high customer satisfaction through prompt delivery, quality product offerings, and trusted partnerships.
2. **Digitalization and Data Analytics**
 - In 2025, SBS accelerated digital transformation through several enterprise-level system rollouts:
 - i. The Warehouse Management System (WMS) was rolled out to optimize storage planning, improve space utilization, and make receiving and deliveries more efficient across warehouse locations. This system supports faster turnaround times, reduced congestion, and improved visibility into product movement.
 - ii. The development of a Document Management System (DMS) enabled digitization of internal records, simplifying document retrieval, improve record accessibility across departments, strengthening compliance, and reducing reliance on paper.
 - iii. SBS also completed the rollout of Sprout HRIS, a cloud-based human resource information system, enabling automated employee records management, timekeeping, leave tracking, and payroll integration. The platform supports greater transparency and data accuracy in HR operations and supports remote accessibility for HR-related services.
 - Together, these initiatives contribute to improved visibility, faster decision-making, and cost efficiencies across business functions.
3. **Organizational Productivity**
 - SBS continues to embed a culture of continuous improvement and accountability, enabled by digital tools, workforce empowerment, and cross-department collaboration.

4. Real Estate Investments

- Strategic properties continued to generate recurring income, while selected facilities were upgraded to support business continuity and expansion readiness.

5. Renewable Infrastructure and Sustainable Practices:

- Incorporating solar investments and flood-resilient infrastructure into capital planning. While Phase 2 of the solar panel installation was deferred to 2026-2027, SBS has incorporated sustainable infrastructure—such as rain proofing, ramp retrofitting, and energy-efficient upgrades—into its capex priorities to address evolving climate risks. Investments in rain proofing, building upgrades, and EHS-compliant systems form part of the 2026 capex to address climate-related operational risks.

SBS remains committed to responsible financial management, digital innovation, and long-term value creation for its stakeholders.

Performance Highlights

	2025 (In PHP)	%	2024 (In PHP)	%	2025 vs 2024 (in PHP)
Direct economic value generated	1,030,461,415	100%	1,153,323,712	100%	(122,862,297)
Direct economic value distributed:					
• Operating cost and payments to suppliers	732,512,021	71%	823,352,636	71%	(90,840,615)
• Employee wages and benefits	50,988,280	5%	44,900,173	4%	6,088,107
• Dividends given to stockholders and interest payments to loan providers	246,580,720	24%	192,361,754	17%	54,218,966
• Government Taxes	40,801,577	4%	38,349,517	3%	2,452,060
• Community Investments	50,000	0%	500,000	0%	450,000
Direct economic value retained	(40,471,183)	-4%	53,859,632	5%	(94,330,815)

Government Support and Financial Assistance

SBS did not avail of any financial assistance, subsidies, tax incentives, grants, or other preferential support from the government in 2025.

Post-Employment Defined Benefit Plan Disclosure

The Company maintains a post-employment defined benefit plan in accordance with the Philippine Retirement Pay Law (RA 7641). Although the Company does not operate a formal, tax-qualified retirement fund, it recognizes the long-term importance of post-employment benefits in supporting employee well-being and financial security after service.

Retirement benefit obligations are actuarially valued using the projected unit credit method, with valuations conducted annually by an independent actuary. These valuations determine the Company's liability for benefits payable to qualified employees upon retirement, whether at normal age (60 years), early (age 50 with 5 years of service), or later, subject to Board approval.

Funding Status and Strategy

As of December 31, 2025, the Company has not yet established a dedicated fund to cover its P17.2 million post-employment defined benefit obligation. These obligations are currently met from the Company's general resources as they fall due. Management is assessing funding strategies to ensure future coverage of the obligation, including consideration of long-term sustainability and workforce trends.

Liability and Measurement Basis

The estimated liability as of year-end is based on assumptions regarding:

- Discount rate (6.1%)
- Salary growth (5.0%)
- Employee longevity (average working life of 22 years from retirement age)

Sensitivity analyses show that a $\pm 1\%$ change in either discount rate or salary growth could shift the liability by approximately $\pm P1.7$ million, highlighting the importance of actuarial oversight.

Risk Exposure

The Company has a low risk appetite for financial exposure due to pension obligations and recognizes key actuarial risks associated with the plan, including interest rate risk, longevity risk and salary inflation risk.

Financial Impact

Total expenses recognized in 2025 relating to retirement benefits amounted to P1.1 million in current service cost, P0.8 million in interest cost and P4.0 million in actuarial losses recognized in other comprehensive income. The weighted average duration of benefit obligations is 17 years, reflecting the long-term nature of these liabilities.

Participation and Employee Coverage

All qualified regular employees are covered by the post-employment benefit program. The benefit formula provides 85% of the employee's average basic salary over the last 12 months of service per year of credited service, as provided under RA 7641.

Market Presence

Objective

SBS recognizes the importance of ensuring that the employees, both men and women, are receiving wages in accordance with the mandate of the prevailing labor laws. SBS strives to demonstrate the organization's commitments to fair compensation, gender equity, and compliance with labor laws.

Management Approach

SBS strictly follows the mandate of Department of Labor and Employment regarding the prescribed minimum wage in NCR.

Performance Highlights

Ratios of Standard Entry-Level Wage by Gender Compared to Local Minimum Wage

A. Entry-Level Wage Ratio to Minimum Wage (NCR)

Employee Category	Standard Entry-Level Wage (Women)	Standard Entry-Level Wage (Men)	Local Minimum Wage (NCR)	Ratio Women	Ratio Men
Rank-and-File	At par with the DOLE-prescribed minimum wage in NCR under Wage Order No. NCR-26	At par with the DOLE-prescribed minimum wage in NCR under Wage Order No. NCR-26	DOLE-prescribed minimum wage in NCR under Wage Order No. NCR-26	1	1

B. Compensation for Other Workers (Non-Employees)

Some organizational activities are performed by agency workers whose wages are subject to minimum wage rules. The organization ensures compliance by:

- Reviewing contracts and pay slips to confirm wages are at or above the NCR minimum wage
- Coordinating with contractors to maintain fair and equitable remuneration practices
- Conducting periodic monitoring and addressing any discrepancies promptly

These measures ensure that all workers performing the organization's activities are fairly compensated, regardless of gender.

C. Absence or Variability of Local Minimum Wage

In the NCR, the legal minimum wage is well-defined and uniform, so there is no variability. All ratios are calculated using the official NCR minimum wage as the reference.

D. Definition of Significant Locations of Operations

For this report, NCR is considered the only significant location, as it houses the majority of employees and key organizational activities.

Percentage of senior management at significant locations of operation that are hired from the *local community

*Philippines	100%
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As of 2025, SBS has five (5) senior management who are primarily responsible in running the business. The senior management is composed of three (3) directors who also hold executive and managerial positions, and two (2) officers.

Targets and Plans

SBS will continue to strictly enforce its policy that the standard entry level compensation for employees are at or above the minimum wage.

Environmental

Environmental Compliance

Through the Company's environmental commitment, which covers its entire value chain, SBS implements a range of sustainability-focused measures designed to reduce environmental impact and promote responsible practices, and supporting consumers in the best end use of products.

The Company has established a comprehensive environmental policy that outlines on its unwavering commitment to implementing and enforcing measures aimed at protecting the environment while maintaining operational efficiency. This preserves natural resources and the health of the surrounding population. Therefore, we undertake to:

- Guarantee compliance with current environmental legislation and regulations.
- Optimize the use of natural and renewable energy resources.
- Reduce environmental impacts such as emissions, discharges, and waste.
- Integrate environmental criteria in the development of new projects.

Moreover, we are determined in our resolve to maintain full compliance with all applicable environmental laws and regulations across our warehouses and offices. This commitment underscores our objective and long-term commitment.

Climate Change

Objective

SBS Philippines Corporation recognizes climate change as a material risk factor that can significantly impact operations, financial stability, and long-term value creation. In 2025, the Company reaffirmed its commitment to proactively identifying, assessing, and managing climate-related risks, including both physical and transition risks (policy, legal, technological, market, and reputational). The Company's objective is to build resilience by embedding climate risk management into its enterprise-wide governance and planning frameworks.

Management Approach

SBS integrates climate change considerations into its broader Enterprise Risk Management (ERM) framework, aligned with the ERM policy approved by the Board in May 2021. In 2025, the Risk Management Team continued to enhance its climate risk capabilities, working closely with functional units and internal audit to ensure that mitigation strategies are aligned, actionable, and monitored regularly.

Key risk management actions in 2025 include:

1. Hazard Mapping: The Company updated its risk exposure profiles for key warehouse and operational sites using GeoRisk PH. High-priority risks were identified in Malabon, including flooding (up to 2 meters), liquefaction, and tsunami exposure.
2. Emergency Preparedness: SBS continued to implement its Disaster Preparedness and Response Plan, including fire and earthquake drills conducted across all sites with full employee participation.

3. Capex-Driven Climate Resilience: In 2025, SBS prioritized climate-related infrastructure upgrades in its 2026 capex plan, including:

- Flood mitigation and ramp upgrades at Malabon warehouse
- Rain proofing and roof replacements for vulnerable buildings
- Fire detection system installations aligned with EHS compliance
- Phase 2 of the solar panel project, deferred from 2025 to 2026

4. Risk ownership assignment for climate-related risks, ensuring that accountability and monitoring are embedded across operational units.

In 2025, no significant immediate physical hazards were identified at SBS warehouses. However, risk profiles were updated to reflect medium- to long-term vulnerabilities such as intensified rainfall, flooding, and regulatory shifts affecting supply chain and compliance costs.

Hazards Assessment Snapshot

Location	Seismic	Volcanic	Hydro-Meteorological
Quezon City	Prone to Ground Shaking up to Intensity 8	Ashfall risk from Taal Volcano	Low Susceptibility to Flood
Malabon	Prone to Ground Shaking (Intensity 8) High potential for Liquefaction Tsunami risk (3–3.99m)		High Flood Susceptibility (1–2 meters, >3 days flooding); Prone to storm surge (,1-1 meters)
Marilao	Prone to Ground Shaking (Intensity 8) Moderate Liquefaction	Ashfall risk from Pinatubo Volcano	Low Susceptibility to Flood (<0.5m, <1 day flooding)

GeoRisk PH was again utilized in 2025 to update risk exposures for these sites. Based on current data, existing flood control and structural mitigation efforts remain sufficient; however, periodic re-assessments are planned to capture climate trend variations.

Targets and Plans

In 2026, SBS will deepen its climate resilience approach through the following:

- Integration of climate hazards into HIRAC, embedding climate risks into operational safety protocols.
- Execution of climate-focused capex projects, including solar power expansion and structural weatherproofing.
- Enhanced climate-related risk metrics and internal reporting dashboards.
- Coordinating with external stakeholders and regulators on compliance with emerging ESG disclosure requirements

Through these strategic actions, SBS remains committed to climate-conscious governance, operational resilience, and long-term environmental stewardship.

Water and Effluents

The organization will measure its water management in 2026 and report the findings on the next reporting period. Nevertheless, the organization is covered by the Wastewater Discharge Permit (WWDP), a mandatory legal authorization from Department of Environmental and Natural Resources-Environmental Management Bureau (DENR-EMB). Furthermore, SBS will put in place and implement Water Management Policy.

Waste Management

Objective

SBS Philippines Corporation remains steadfast in its commitment to sustainability by actively reducing and eliminating the adverse impacts of waste materials on human health and the environment. This dedication supports the company's pursuit of sustainable economic development and a higher quality of life.

Management Approach

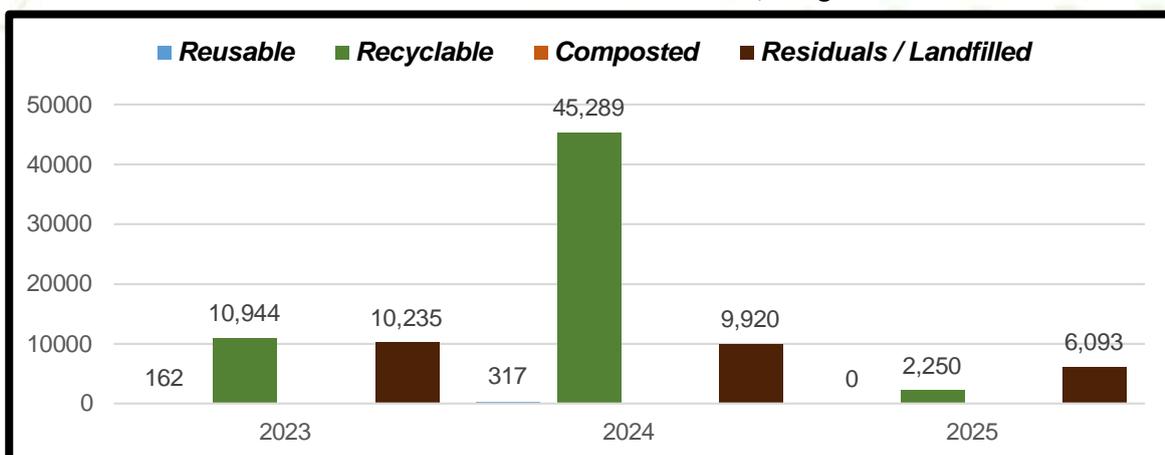
The company intensifies its sustainability efforts to facilitate recycling for waste reduction by partnering with accredited recycling partners.

Performance Highlights

In 2025, the company made significant progress in its sustainability efforts by facilitating the responsible recycling of 2,250 kilograms or 2.25 metric tons of materials through accredited recycling partners. This accomplishment highlights the company's ongoing commitment to environmental stewardship and waste reduction.

Despite maintaining a full on-site work arrangement for employees and ensuring the continuous operations of its three (3) warehouse locations, the company recorded a substantial decrease of approximately 38.6% in residual solid waste. The total residual waste generated declined from 9,920 kilograms in 2024 to 6,093 kilograms or 6.093 metric tons in 2025. This significant reduction reflects the effectiveness of the company's proactive waste management initiatives and its dedication to minimizing environmental impacts while sustaining operational efficiency.

Total Solid Waste Generated, in kg



Targets and Plans

To reinforce our commitment to minimizing environmental impacts, we are dedicated to continuously improving our waste management practices and reducing the generation of residual waste. As part of these efforts, we will implement stricter enforcement of Waste Segregation and Recycling procedures and energy conservation measures across all operations, ensuring these initiatives are seamlessly integrated into our day-to-day activities without compromising operational efficiency.

Energy Efficiency and Emissions

Energy is a vital component of the daily operations of the company's offices, warehouse sites, and supply chain. As our portfolio continues to grow, we remain committed to responsible energy management and continuous improvement in energy efficiency. The organization implements energy conservation measures, optimizes operational processes, and leverages energy-efficient technologies to reduce overall consumption and environmental impact.

SBS actively monitor energy usage across facilities to identify efficiency opportunities, manage risks associated with energy costs and climate change, and support informed decision-making. Where feasible, the company explores the use of renewable energy sources and sustainable infrastructure solutions to lower greenhouse gas emissions.

Objective

SBS adopts a structured and data-driven approach to energy management as part of its environmental strategy. The Company continuously advances energy conservation and energy efficiency initiatives across its offices and warehouses through systematic monitoring of electricity consumption, optimization of energy-intensive equipment, and implementation of efficiency improvement measures. These initiatives aim to reduce operating costs, lower greenhouse gas (GHG) emissions, and improve overall energy performance. In parallel, SBS is progressively reducing reliance on carbon-based electricity sources by integrating cleaner and more efficient energy alternatives where technically and economically feasible. As part of its commitment to measurable climate action, the Company has established a goal to reduce electricity consumption from carbon-based sources by 50% by 2025, compared with its 2019 baseline, and to maintain reductions of at least 50% thereafter in alignment with its long-term sustainability strategy.

Management Approach

The Company has established a comprehensive Energy Efficiency strategies aimed at optimizing energy utilization across all operations, which primarily consume electricity and fuel. The strategies integrate technological, operational, and behavioral approaches to achieve measurable energy efficiency improvements and cost reductions.

In prior years, the Company adopted energy-efficient technologies across its facilities, resulting in significant reductions in both energy consumption and operational costs. In August 2023, the Company commenced exporting surplus solar-generated electricity via a net metering system, which effectively reduced net electricity consumption in warehouses and office facilities.

During 2024 and also carried out to the year 2025, the Company implemented and advanced several technical and operational initiatives, including:

- 1) Fleet modernization – Decommissioning outdated transport vehicles and forklifts and replacing them with units powered by higher-efficiency engines. Employee service vehicles are also being transitioned to hybrid powertrains;
- 2) Energy conservation practices – Continuous employee engagement programs promoting energy-saving behaviors, such as switching off lights during breaks and

- when not in use;
- 3) Appliance and equipment optimization – Ongoing replacement or installation of LED lighting systems and inverter-type air-conditioning units to improve energy performance;
 - 4) Operational efficiency in logistics – Review and optimization of delivery routes and vehicle trip schedules to minimize fuel consumption; and
 - 5) Training and communication – Implementation of a structured awareness program to reinforce energy conservation and efficiency practices among all employees.

Looking ahead, Phase 2 of the additional solar panel installation is scheduled for implementation in 2026, further expanding on-site renewable energy generation capacity. This initiative is expected to significantly offset grid electricity consumption and support the Company's transition to a low-carbon, sustainable energy model.

These integrated measures collectively contribute to a reduction in greenhouse gas (GHG) emissions and overall carbon footprint. Based on the revised annual energy consumption threshold defined by the Department of Energy (DOE), SBS is now classified as a Type 1 Designated Establishment (DE), with an accumulated annual energy consumption of at least 50,001 kWh equivalent in the prior year.

In compliance with the Energy Efficiency and Conservation Act of 2019, the Company has submitted the following regulatory reports:

- 1) Annual Energy Efficiency and Conservation Report (AEEC); and
- 2) Annual Energy Utilization Report (AEUR).

Performance Highlights

Energy consumption within the organization

Disclosure	2019 (Baseline Electricity)	2021 (Baseline Diesel, Gasoline)	2024	2025
Energy consumption (electricity), kWh	185,694		237,719	216,664
Gross consumption, kWh				
Import electricity, kWh (from carbon source)	185,694		136,462	117,162
Export electricity, kWh	0		34,087	31,065
Self-consumption (from renewable source)	0		101,257	99,502
Net consumption, kWh (from carbon source)	185,694		102,375	86,097
Energy consumption (diesel), GJ	No data	1,117	804	632
Energy consumption (gasoline), GJ	No data	35	4	0

The Company considers 2019 electricity consumption as the baseline, as it represents normal operations.

Meanwhile, as there was no compiled data for diesel and gasoline consumption for the said year, the Company used the 2021 gasoline and diesel consumption data as its baseline,

considering it reflects normal operations following the pandemic year of 2020. For the current year, electricity and gasoline consumption is lower than this baseline.

Reduction on energy consumption for 2025 (from carbon sources)

Disclosure	vs. 2019 (Baseline) Electricity	vs. 2021 (Baseline) Diesel, Gasoline	vs. 2024
Energy reduction (electricity), kWh	99,597	n/a	16,278
Energy reduction (diesel), GJ	n/a	485	172
Energy reduction (gasoline), GJ	n/a	35	4

In 2025, 54% reduction in carbon-sourced electricity consumption against the 2019 baseline has resulted in direct cost savings. By exporting surplus solar energy via net metering, we generated PHP231,044 in credits. This reflects significant progress in energy efficiency and de-carbonization efforts through the use of renewable energy source. Despite the adoption of electric forklifts in warehouses and opting to hybrid vehicles for management which added additional electricity demand, the consumption decreased by 16% compared to 2024. This can be attributed to reduced operational intensity, offset by improved energy efficiency measures and milder weather conditions compared to previous periods, thus lower cooling requirements in offices and warehouses.

The company continues to offset its grid demand by exporting surplus energy through its net metering system, contributing to a net reduction in carbon-sourced electricity usage.

Meanwhile, diesel consumption decreased by 43% compared to the 2021 baseline. This reduction was primarily driven by reduced operational intensity, optimized service vehicle trips, systematized delivery routes, and the replacement of older delivery trucks with more fuel-efficient engines. Gasoline consumption, on the other hand, decreased by 100% after the company phased out and converted its gasoline-powered vehicles to diesel-powered and hybrid vehicles.

Environmental Impact

Disclosure	vs. 2019 (Baseline) Electricity	vs. 2021 (Baseline) Fuel	Reduction vs. 2024
Reduction on GHG Emissions (electricity), t-CO ₂	70.93	n/a	11.59
Reduction on GHG Emissions (diesel), t-CO ₂	n/a	33.69	11.95
Reduction on GHG Emissions (gasoline), t-CO ₂	n/a	2.23	0.25
Estimated no. of trees planted per year (based on reduction of carbon-sourced energy consumed compared to baseline year)	3,254	1,648	1,091

*Based on DOE's 2015-2017 National Emission Grid Factor of .0007122 t-CO₂/kWh

**Based on DOE's 2025 Emission Factor 1liter diesel=2.64kg CO₂

***Based on DOE's 2025 Emission Factor 1liter gasoline =2.17 kg CO₂

****Per Arbor Day Foundation, 1 mature tree can absorb 0.0218 tonnes of CO₂/year

Using 2019 as the baseline year, the Company achieved a 70.93 t-CO₂ reduction in electricity-related GHG emissions. Compared to 2024, emissions decreased by 11.59 t-CO₂. Overall electricity emissions remain below baseline levels.

The Company continues to reduce greenhouse gas (GHG) emissions from fuel consumption through more efficient use of diesel and gasoline. Compared to the 2021 baseline year, total GHG emissions from fuel use declined significantly. Diesel-related emissions were reduced by 33.69 t-CO₂, while gasoline-related emissions decreased by 2.23 t-CO₂. These reductions reflect improvements in operational efficiency and reduced reliance on carbon-based fuels.

Compared to 2024 levels, emissions reductions were smaller, with a decrease of 11.95 t-CO₂ from diesel and 0.25 t-CO₂ from gasoline. This indicates that most major efficiency gains have already been achieved, with ongoing efforts focused on maintaining performance and identifying further opportunities for improvement.

Compared to 2024, the emissions savings are equivalent to about 1,019 trees planted annually.

Overall, these results demonstrate the Company's continued commitment to reducing its environmental impact and managing fuel consumption responsibly.

Energy Intensity

Energy intensity has been calculated for all operational areas to establish a baseline for future energy performance monitoring. The energy intensity is expressed as kWh per square meter per year (kWh/sq. m/year).

Area	Total Annual Energy Consumption from Grid (kWh)	Total Self-Consumption Energy from Solar (kWh)	Floor Area (sq. m)	*Energy Intensity Ratio
RH Office	55,736	50,257	1,505	37
RH Warehouses	61,426	49,245	5,725	11
Organization Total	117,162	99,502	7,230	16

*EUI = Total Annual Energy consumption/Floor area (kWh/sq. m/year)

To provide a consolidated view of energy efficiency across all facilities, the organization has established an Organizational Energy Intensity Ratio (OEIR) of 16 kWh/sq. m/year based on energy consumption from the grid. This ratio represents the average annual energy consumption per square meter across all operational areas and serves as the organization's baseline energy performance indicator. A lower Organizational Energy Intensity Ratio indicates higher energy efficiency, reflecting reduced energy consumption relative to the total floor area.

The Organizational Energy Intensity Ratio of 16 kWh/sq. m/year has been established as the baseline for organizational energy performance, based solely on electricity consumption. Floor area is a stable and verifiable parameter across all facilities, enabling consistent comparison over time. The baseline and subsequent performance tracking apply exclusively to energy use within the organization's operational boundaries and do not include external or third-party

energy consumption. This baseline will be used to monitor trends in electricity efficiency over time and to evaluate the effectiveness of implemented energy conservation measures. Future energy performance targets will be set with the objective of achieving progressive reductions in the Organizational Energy Intensity Ratio, demonstrating continual improvement in organizational energy efficiency.

Targets and Plans

To achieve our 2026 goal of reducing energy consumption from carbon-based sources while supporting ongoing business operations, we are implementing a multi-faceted approach:

1. Formalized Energy and GHG Emission Reduction Policy
2. Expansion of Renewable Energy: Installation of additional rooftop solar panels to increase on-site renewable energy generation; Targeting a 30–40% increase in solar energy utilization compared to 2025 levels;
3. Upgrading Vehicle and Equipment Fleet: Replacement of aging delivery vehicles with models equipped with more fuel-efficient engines; Introduction of new forklifts designed for higher energy efficiency and lower emissions; and Gradual transition of management service vehicles to hybrid models to further reduce our carbon footprint; and
4. Employee Engagement and Energy Awareness: Continuous training and awareness programs to encourage employee participation in energy-saving initiatives; Regular energy audits and suggestion schemes to involve employees in identifying energy reduction opportunities.

Through these initiatives, the company aim to strengthen our operational efficiency while actively reducing our environmental impact, demonstrating our commitment to sustainability, innovation, and responsible business practices.

Social: Employees

Introduction

SBS acknowledges the critical role of employee expertise and dedication in ensuring the Company's long-term success and competitiveness. SBS employees embody the core values of honesty, integrity, hard work, perseverance, productivity, excellence, customer satisfaction, loyalty, dedication, and faith in God Almighty, with sustainability integrated into every aspect of their work.

Management Approach

Through proactive sourcing, careful screening & assessment, and strategic workforce planning, SBS ensures that it acquires competent talents who will positively contribute to and drive the company towards growth.

Total Number of Employees by Gender and Region

Region	Female	Male	Total
NCR	54	50	104
IV-A	1	2	3
III	1	4	5

Employment Type Breakdown by Gender and Region

Region	Employment Type	Female	Male	Total
NCR	Permanent	54	50	104
	Temporary	0	0	0
	Non-Guaranteed hours employees	0	0	0
	Full Time	54	50	104
	Part-time	0	0	0
IV-A	Permanent	1	2	3
	Temporary	0	0	0
	Non-Guaranteed hours employees	0	0	0
	Full Time	1	2	3
	Part-time	0	0	0
III	Permanent	1	4	5
	Temporary	0	0	0
	Non-Guaranteed hours employees	0	0	0
	Full Time	1	4	5
	Part-time	0	0	0

The data was compiled using internal human resources records as of the end of the reporting period. Employees were counted based on active employment status. Each employee was categorized by region, gender, employment status (permanent/temporary), and working hours (full-time/part-time).

The report covers:

- a) Each employee is counted once under their region of residence.
- b) Gender data reflects self-reported information in HR records.
- c) Employment classifications follow company HR policy definitions.
- d) All numbers are reported as headcount, not full-time equivalents (FTEs).

The absence of temporary, part-time, and non-guaranteed hours employees suggests a preference for long-term employment arrangements.

Workers Who Are Not Employees

In 2025, the total number of workers who are not employees of the company is twenty-four (24), breakdown by type and contractual relationship as follows:

Total Number and Description of Workers Who Are Not Employees

Type of Worker	No.	Contractual Relationship	Type of Work Performed
Casual Workers	15	Outsourced under agency service agreement	Delivery, cleaning & maintenance services
Agency Guards	9	Outsourced via security agency service agreement	Site security and monitoring, access control

The number of workers whose work is directly controlled by the organization were gathered through headcount at the end of the reporting period, giving a snapshot of our workforce at that time. Only workers whose tasks, schedules, and work processes are managed by the organization are counted. Workers who operate independently or outside the organization's control are not included.

Performance Highlights

In comparison to the company's 2024 employee data of 103 employees to 112 employees in 2025, the increase in the total number of employees during the reporting period signifies the company's strategic growth initiatives in employment. Headcount changes throughout the reporting period were due to normal hiring and employee turnover.

Furthermore, there were no significant changes in the number of workers who are not employees during the reporting period. The total remained 24 workers, the same as the previous reporting period. This shows that staffing for casual workers, and agency guards remained stable throughout the year.

Targets and Plans

SBS will continue to strengthen retention and onboarding initiatives, reinforce a culture of safety and respect, enhance performance accountability through structured feedback, and ensure pay equity through regular compensation and benefits reviews.

Employment

Performance Highlights

As of year-end 2025, SBS Philippines Corporation has a total workforce of one-hundred twelve (112) full-time employees. During the year, the company recorded twenty-nine (29) new hires, representing 26% of the total workforce. Of these new hires, 28% were male employees while 72% were female employees, indicating a higher intake of female talent during the period.

Employee separations during the reporting period totaled to twenty (20), or 18% of the total workforce. This is comprised of five (5) male and fifteen (15) female employees, of which two (2) were retirements (two (2) females).

Overall, female new hires exceeded male new hires during the reporting period, reflecting a stronger female representation in recruitment activities for 2025.

2025 Total number of hires per category by gender, by age group

	Male	Female	Total
Under 30	2	17	19
30-50	6	4	10
Over 50	0	0	0
Total	8	21	29
%rate	28%	72%	26%

2025 Total number of turn over per category by gender, by age group

	Male	Female	Total
Under 30	1	9	10
30-50	4	4	8
Over 50	0	0	0
Over 60 (Retirement)	0	2	2
Total	5	15	20
%rate	25%	75%	18%

To enhance employee welfare, SBS supplements statutory benefits with company-provided leave benefits, insurance coverage, and retirement-related provisions.

Benefits	Y/N	Male	Male %	Female	Female %
SSS	Y	56	100%	56	100%
PHILHEALTH	Y	56	100%	56	100%
PAG-IBIG	Y	56	100%	56	100%
Parental Leaves - Entitled	Y	0	0%	1	2%
Parental Leaves - Availed	Y	0	0%	1	2%
Vacation Leaves	Y	38	68%	32	57%
SIL	Y	48	86%	40	71%
Medical Benefits - HMO	Y	48	86%	40	71%
Housing Assistance	Y	16	29%	11	20%
Flexible Working Hours	Y	0	0%	0	0%
Telecommuting (WFH)	Y	2	4%	1	2%
Bereavement Leave	Y	2	4%	2	4%
Retirement Provision	Y	56	100%	56	100%
Retirement Availed	Y	0	0%	2	4%
Personal Accident Insurance Coverage	Y	54	96%	53	95%

Employee Training and Education

Objective

As an organization with a strong culture of learning, SBS ensures all employees receive ample training opportunities throughout the year.

Management Approach

Professional growth and development are prioritized, enhancing employee engagement and ensuring continuous learning at all career stages.

Performance Highlights

In 2025, employees of SBS collectively spent 1,352 hours participating in training and development activities, underscoring the company's commitment to continuous learning. The programs conducted included webinars, in-house workshops, orientations, and seminars aimed at enhancing skills and professional growth.

Summary of 2025 Trainings and Development

<i>Total number of hours of training, by gender</i>	No. of hours	Ave. hrs. of training
Female	942	17
Male	410	7
Total	1,352	12

<i>Total number of hours of training, by employee category</i>	No. of hours	Ave. hrs. of training
Executives	68	14
Managers and Supervisors	324	14
Rank and File	960	11
Total	1,352	12

<i>Average number of hours of training, by gender, by employee category</i>	Male	Female
Executives	7	24
Managers and Supervisors	8	21
Rank and File	7	15
Total Average	7	17

Percentage of Employees Receiving Regular Performance and Career Development Reviews

Employee Category	No. of Female Employees	No. of Females Reviewed	% of Females Reviewed
Executive	2	2	100%
Managerial/Supervisory	11	3	27%
Rank-and-file	43	24	56%

Employee Category	No. of Male Employees	No. of Males Reviewed	% of Males Reviewed
Executive	3	3	100%
Managerial/Supervisory	12	3	25%
Rank-and-file	41	32	78%

Employee Category	Total No. of Employees	Total No. of Employees Reviewed	% of All Employees Reviewed
Executive	5	5	100%
Managerial/Supervisory	23	6	26%
Rank-and-file	84	56	67%

The Company conducts mid-year and annual performance evaluations to assess employee contributions toward achieving a more efficient and productive workforce. These evaluations encourage open communication and help align individual performance with the Company's goals, vision, purpose, and values.

During the reporting period, SBS conducted regular performance and career development reviews across all employee categories:

Employee Category	Completed	% of All Completed Reviews
Executives	5 out of 5	100%
Supervisory/Managerial	6 out of 23	26%
Rank-and-File	56 out of 84	67%

The organization recognizes the need to increase coverage and is taking steps to ensure that more employees have the opportunity to benefit from performance and career development reviews in future reporting periods.

The Company implemented continuous learning and development initiatives through a combination of in-house and external training programs. These covered enterprise systems, warehouse and operational efficiency, occupational safety and health, data privacy, regulatory compliance, and leadership development. The programs aim to enhance employee competencies, support operational excellence, and promote long-term workforce sustainability.

The Company supported responsible employment practices by allowing employees to attend external seminars related to lawful termination, workforce planning, and labor compliance. These activities were intended to strengthen organizational awareness of due process and fair labor practices. To support employees who are retiring or who have been terminated, the Company assists through severance pay which accounts to employee age and years of service.

Targets and Plans

SBS recognizes succession planning as a vital strategy to ensure organizational continuity. Internal promotions are encouraged for employees who possess the required skills, qualifications, and attitude.

To complement succession planning, the Company aims to further enhance employee engagement, which reflects the emotional commitment of employees to the organization and its objectives. Engaged employees are more invested in their work and the Company's success. Through these strategies, SBS targets to maintain a general attrition tolerance of no more than 15% per annum, and will implement targeted retention programs to keep turnover among key officers and critical personnel below 10% annually.

Diversity and Equal Opportunity

Objective

SBS values a diverse workforce, bringing together employees with varied functional expertise, professional backgrounds, qualifications, and skills.

Management Approach

The Company is committed to ensuring fair and equitable treatment, with no gender-based discrimination in salaries, hiring, or promotions, all of which are strictly merit-based. SBS's inclusive recruitment practices ensure that opportunities are awarded based on qualifications and abilities, with no discrimination based on age. The Company fosters a workplace environment that empowers employees to contribute their unique talents and perspectives, supporting innovation, collaboration, and professional growth.

Performance Highlights

As of this reporting period, the workforce comprises 56 male and 56 female employees, demonstrating full gender parity.

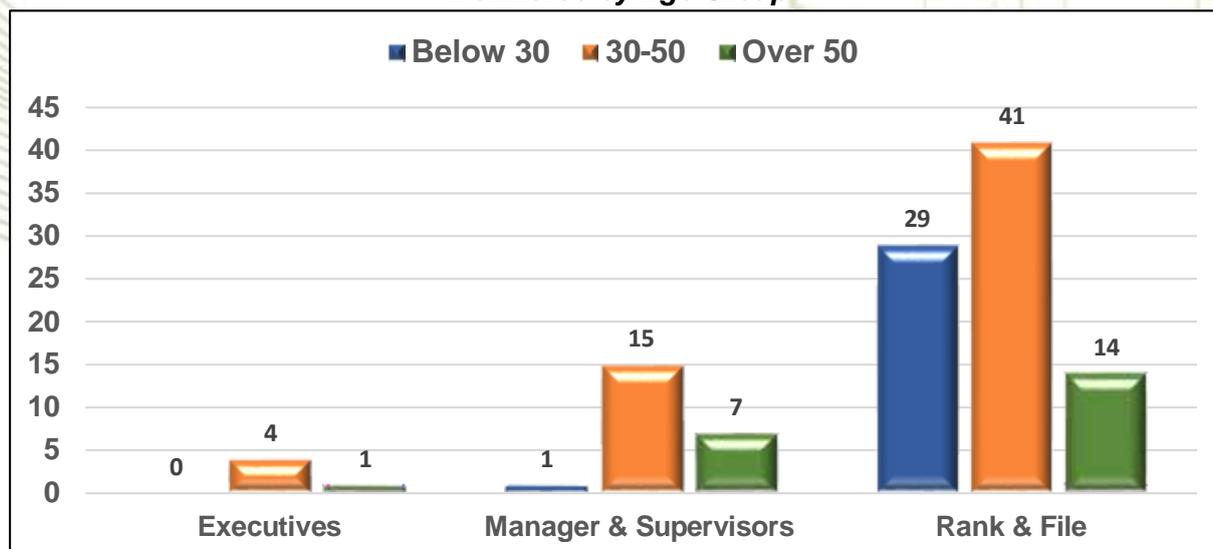
Employee Profile (2025)

Workforce by Gender



Workforce by Employee category



Workforce by Age Group

During the year, the Company sustained and strengthened its diversity and equal opportunity practices by ensuring consistent and unbiased application of HR policies through its Human Resources Information System (HRIS), Sprout. The system is now fully embedded in daily HR operations, supporting standardized payroll processing and equitable access to employee services.

The continued use of the Employee Self-Service platform allows employees across all levels to independently manage attendance records, leave applications, and approvals, reinforcing transparency and fairness in HR administration. These standardized processes help minimize discrepancies and promote equal treatment in employment-related transactions. The Company also maintained accurate and timely remittance of government-mandated benefits, including SSS, Pag-IBIG, and PhilHealth, ensuring all eligible employees receive statutory benefits in a consistent and compliant manner. Through these measures, the Company reinforces its commitment to an inclusive, fair, and sustainable workplace.

Ratio of Basic Salary and Remuneration of Women to Men

Category	Ratio	Interpretation
Executive	0.99	Women earn nearly the same as men at the executive level, indicating near pay parity. Compensation practices appear broadly aligned across genders for similar roles and responsibilities.
Managerial/Supervisory	0.81	Women earn lower average salaries than men in managerial and supervisory roles. This difference may reflect variations in role assignments, tenure, performance ratings, and functional responsibilities.
Rank-and-file	1.12	Women earn higher average salaries than men at the rank-and-file level. This could be influenced by factors such as tenure, position level, or specific job types.

Strategy and Plans

Actively promote diversity, eliminate gender bias, and support equal opportunity. SBS will continuously implement equality in recruitment, opportunities for advancement, and remuneration policies.

Labor Management Relations

Objective

SBS Philippines Corporation is committed to transparency and fairness in managing operational changes that could substantially affect employees.

Management Approach

To ensure employees are well-informed and prepared, the organization provides a 30-day notice prior to implementing significant operational changes.

Employees are informed of such changes through official communication channels, including memos, emails, meetings, and briefings. Feedback is actively encouraged and carefully considered before finalizing any changes, supporting smooth transitions and employee engagement.

Minimum Notice Periods Regarding Operational Changes	
Minimum Notice Period	30-day notice prior to implementation of operational changes that could substantially affect employees
Consultation with Employees	Employees are informed of significant operational changes through official communication channels, including memos, emails, meetings, and briefings. Feedback is actively encouraged and carefully considered before finalizing any changes.
Collective Bargaining Agreements (CBA)	Not applicable; the organization does not have a CBA
Alignment with Local Laws	Notice periods comply with applicable labor laws and regulations regarding operational changes affecting employees.
Additional Notes	The organization is committed to transparency and timely communication to minimize adverse impacts on employees during operational changes.

Performance Highlights

The company has no labor union and no pending labor case/s. Although the organization does not have a collective bargaining agreement, the notice period and consultation processes comply with applicable labor laws and regulations.

Labor Law Compliance

At SBS, our policies on hiring, promotion, transfer, resignation, separation, employee benefits, and training and development are regularly reviewed to ensure alignment with the Labor Code of the Philippines and prevailing industry standards.

Occupational Health and Safety

Objective

SBS is committed to safeguarding the health and well-being of every employee and stakeholder by fostering a strong culture of safety across all levels of the organization. Our Occupational Health and Safety (OHS) Management System covers all workers performing activities under the control of the Company, including regular and probationary employees, management and supervisory personnel, warehouse and logistics staff, truck drivers involved in loading and unloading operations, employees engaged in chemical handling and environmental monitoring, as well as contracted workers performing high-risk or strenuous tasks within SBS premises.

We empower our workforce to prioritize their well-being and that of their colleagues through a comprehensive safety management system that identifies, assesses, and mitigates risks across all covered activities and workplaces. Our dedication to continuous improvement in safety protocols, training, and audits ensures a workplace where everyone feels secure and valued, enhancing operational efficiency and protecting our most valuable assets.

Management Approach

SBS is dedicated to fostering a safe and healthy work environment through its Environmental, Health, and Safety (EHS) Department, which operates under the Chief Compliance Officer. The OHS Management System applies to all SBS-controlled workplaces nationwide, including corporate offices, warehouses, storage facilities, logistics and operational areas, machinery and equipment operation zones, chemical storage and handling areas, and temporary work areas where high-risk activities are conducted.

We comply with various government regulations, including licensing, product registrations, and customs documentation, showcasing our commitment to regulatory excellence and operational integrity. Employee health and safety remain central to our organizational philosophy, and full compliance with the Department of Labor and Employment (DOLE) is considered fundamental to achieving an accident-free workplace, enhancing workforce productivity, and minimizing operational risks.

Beyond DOLE compliance, SBS ensures that our facilities are equipped with adequate fire-fighting and fire-prevention measures in accordance with the Bureau of Fire Protection (BFP) Fire Code of the Philippines. Warehouses are fitted with Fire Detection and Alarm Systems and other essential safety equipment to protect employees, contractors, and company property.

To cultivate a strong culture of prevention, SBS continuously invests in comprehensive employee training and development. Regular safety orientations and refresher trainings are conducted to ensure that all personnel, including management, are well-versed in established safety protocols and emergency procedures.

All operational and support activities that may pose health and safety risks are covered by the OHS Management System. These include warehousing and storage operations, loading and unloading of goods, operation and maintenance of machinery, chemical handling and storage,

environmental monitoring and pollution control activities, transportation-related activities, and emergency preparedness and response. Strenuous or high-risk activities are strictly regulated. Required permits are secured prior to execution, and toolbox meetings are consistently conducted to reinforce hazard awareness, task-specific controls, and safe work practices. These measures reflect our commitment to proactive risk management and the long-term sustainability of the EHS program.

SBS also focuses on optimizing machinery and facility use while managing costs. By integrating safety and efficiency into all covered operations, we uphold our commitment to sustainability and continuous improvement, benefiting employees and the broader community.

Performance Highlights

SBS has successfully implemented a comprehensive set of occupational health and safety policies, programs, and training initiatives, establishing a strong foundation for an integrated Environmental, Health, and Safety (EHS) Management System. This continuous expansion reflects our commitment to fostering a proactive safety culture that protects our workforce while enhancing overall organizational resilience.

Beyond policy implementation, SBS ensures that working environments across all locations consistently comply with applicable occupational safety standards, particularly in relation to air quality, ventilation, and workplace environmental conditions. These measures demonstrate our strong commitment to safeguarding the health and well-being of all individuals within our premises.

Key Highlights from the Safety and Sustainability Program:

Employee Training and Well-being

SBS continues to prioritize employee competence and awareness through targeted training programs designed to address workplace hazards and operational risks effectively. These initiatives reinforce safety as a core organizational value.

- Behavioral Base Safety Seminar
- Fire Safety and Prevention Seminar
- Quarterly Nationwide Earthquake Drill
- Mandatory 8-Hour Safety and Health Training
- Trucker's Safety: Loading and Unloading
- Chemical Safety Training
- Emergency Preparedness and Response Planning for Industrial Settings
- Work Environment Measurement Training
- Pollution Control Seminar
- Tuberculosis Workplace Orientation
- HIV/AIDS Orientation with Screening
- Hepatitis B Orientation

Overview of Incidents and Accidents	2023	2024	2025
Number of work-related injuries	0	0	0
Number of work-related fatalities	0	0	0
Number of work-related illness	1	0	0

Safe Man-Hour



Safety Performance and Continuous Improvement

Following the incident on September 16, 2022, SBS has made significant progress toward achieving the “One Million Safe Man-Hours” milestone. A comprehensive safety reset initiated on September 17, 2022 further strengthened our safety campaign by reinforcing hazard identification, risk controls, and compliance monitoring.

The Environmental, Health, and Safety (EHS) Department, in close collaboration with management, remains focused on ensuring strict compliance with established safety protocols while actively promoting a culture of accountability, vigilance, and worker participation across the organization.

SBS is firmly committed to the continual improvement of safety, health, and sustainability performance. We actively pursue innovative solutions to enhance operational effectiveness and meet sustainability targets. Also, this year, the EHS Department conducts periodic Work Environment Measurement to ensure safe and healthy workplace. By integrating advanced technologies, improved workplace controls, and employee wellness initiatives, we aim to further improve employee health, engagement, and productivity.

Our proactive and risk-based approach to occupational health and safety not only protects our workforce but also strengthens the long-term resilience, sustainability, and success of the organization.

Targets and Plans

SBS remains fully committed to minimizing workplace accidents through a strategic and systematic framework of safety measures, controls, and protocols. While we recognize that unforeseen circumstances may still occur, our primary focus is on hazard prevention, early intervention, and continuous risk reduction.

To strengthen a proactive safety culture, SBS actively encourages all employees to promptly report near misses, unsafe conditions, unsafe acts, and even minor injuries. This open-reporting approach supports early identification of hazards and enables timely investigation of root causes. Corrective and preventive actions are then implemented at the earliest possible stage to prevent recurrence and reduce the risk of more serious incidents.

In parallel, SBS conducts regular workplace internal inspections and behavioral observations to identify unsafe actions and conditions. These activities are implemented not to assign blame, but to correct risks early, reinforce safe behaviors, and improve overall safety performance. Appropriate personal protective equipment (PPE) is provided and strictly enforced for each activity, ensuring employees are adequately protected at all times.

Furthermore, SBS promotes behavior-based safety, emphasizing that safe work practices must be consistently demonstrated even when no direct supervision is present. This reinforces personal accountability and shared responsibility for safety across all levels of the organization.

Our commitment is further demonstrated by our target of achieving One Million Safe Man-Hours, supported by an unwavering objective of maintaining zero lost-time injuries. This target reflects our belief that a safe and healthy workplace is essential to operational excellence, employee well-being, and long-term organizational sustainability.

By fostering open communication, leadership involvement, and active worker participation, SBS aims to cultivate a work environment where every employee is empowered to contribute to the achievement of our collective safety and sustainability objectives.

Customer Health and Safety

Objective

The company is committed to prioritizing the health and safety of its customers by implementing comprehensive measures to provide high-quality and safe chemical raw materials.

Management Approach

To align with its commitment to ensuring the health, safety, and well-being of customers, SBS continuously conducts comprehensive assessments of health, safety, and environmental risks associated with its operations, including workplace activities, product handling, storage, and distribution. These assessments support the identification of potential risks and the continuous improvement of safety measures across the supply chain.

In addition, the company offers value-added services to its customers and ensures that all products sold are properly registered and strictly compliant with the requirements of the appropriate regulatory agencies. All products undergo verification testing to validate their quality and safety prior to distribution. SBS also ensures that its personnel receive thorough training and possess the necessary knowledge to handle, store, and transport products responsibly, maintaining their safety and integrity throughout the supply chain until delivery to clients.

Performance Highlights

NO VIOLATION

**Eight (8)
New Products Applied**

In 2025, SBS recorded zero incidents of non-compliance with local and national regulations concerning the health and safety impacts of its products and services, reflecting the company's strong adherence to regulatory requirements. During the same reporting period, SBS successfully introduced 8 new product applications to customers through various government regulatory bodies.

In continued alignment with its Quality and Safety Policy, SBS ensures that all products it imports, sells, and distributes are in full compliance with applicable international and local regulations governing product quality and safety. This commitment reaffirms SBS's dedication to providing high-quality, safe, and cost-effective chemical raw materials and services to its valued customers.

Furthermore, SBS ensures that all chemical products are stored under controlled conditions in compliance with applicable international and local regulatory requirements, particularly those governing regulated and controlled chemicals. Storage practices are designed to maintain product integrity, prevent contamination, and minimize health and safety risks through proper labeling, segregation, and safe handling procedures. Only trained and qualified personnel are responsible for managing storage operations to ensure adherence to quality, safety, and environmental standards.

Targets and Plans

SBS remains committed to providing sustainable products that meet the highest standards of quality and include rigorous safety assurances. To safeguard the health and safety of users, the company has implemented comprehensive protocols to ensure product quality and safety across all stages of its operations, including importation, storage, and distribution.

Furthermore, SBS is dedicated to enhancing employee training programs, promoting safe handling and storage practices, and strengthening collaboration with regulatory bodies and business partners. Continuous assessment of health and safety impacts related to products and services is used to improve storage conditions and operational controls. These initiatives support SBS's long-term strategy to deliver safe, sustainable, and high-quality chemical products while maintaining responsible supply chain management and fostering customer trust.

Customer Satisfaction

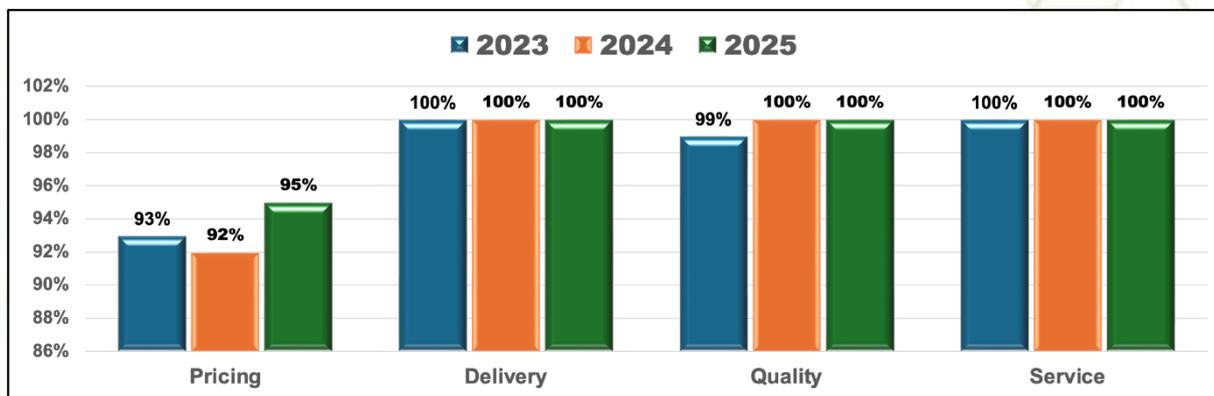
Objective

To identify our customers' priorities and meet their expectations in an efficient and cost-effective manner.

Management Approach

SBS generates a quarterly customer feedback summary to measure customer satisfaction. In addition, the Company seeks ways to improve its services to enhance positive customer experience.

Performance Highlight



From 2023 to 2025, overall customer satisfaction remained consistently high with clear improvements across key areas. Delivery and Service maintained a perfect 100% score throughout all three years, reflecting strong reliability and customer support. Quality improved from 99% in 2023 to 100% in 2024 and was sustained in 2025, indicating effective quality management. Pricing showed a slight dip from 93% in 2023 to 92% in 2024 but recovered strongly to 95% in 2025, suggesting successful adjustments and improved value perception. Overall, the results demonstrate stable performance with positive year-to-year improvement, culminating in near-perfect scores across all categories by 2025.

Targets and Plans

The 2025 customer satisfaction survey indicated that while 'Quality', 'Delivery' and 'Service' scored 100%, 'Pricing' scored 95%. In response to this feedback, the management has initiated a strategic review of our procurement and supply chain efficiency to enhance value for our customers without compromising service levels. An update on this initiative will be provided in the 2026 report.

Marketing and Labeling

Objective

SBS ensures that all chemical raw materials are properly classified, safely packaged, and clearly labeled to protect people and the environment. These practices help reduce risks during storage, transport, and use. SBS regularly reviews and updates its safety processes to comply with current regulations and industry standards.

Management Approach

SBS promotes safe handling of chemical products by providing clear and accurate information. The company follows the Globally Harmonized System (GHS) for chemical classification and labeling, covering physical, health, and environmental hazards. This helps ensure clear and consistent hazard communication. SBS also updates its safety procedures to remain compliant with current regulations and best practices.

Product and Service Information & Labeling Requirements

SBS procedures require the following types of information to be included in product and service information and labeling:

- a) Content, particularly substances with environmental or social impact
 - SBS discloses chemical content and hazardous substances in accordance with the Globally Harmonized System (GHS). This includes identification of substances that may pose health, safety, or environmental risks.
- b) Safe use of the product or service
 - Labels and accompanying Safety Data Sheets provide clear instructions on safe handling, storage conditions, required personal protective equipment (PPE), and emergency measures.
- c) Disposal of the product and environmental or social impacts
 - SBS includes guidance on proper disposal, spill response, and environmental precautions in accordance with regulatory requirements and SDS standards to minimize environmental and social impacts.
- d) Additional required information includes:
 - Hazard pictograms and signal words
 - Risk and precautionary statements
 - Batch or lot number for traceability
 - Manufacturer/supplier identification and contact details
 - Regulatory references as required by local and international standards

While sourcing of components of the product or service is not required on the product labels, sourcing information is internally documented and controlled through supplier documentation

such as Certificates of Analysis (COA), Safety Data Sheets (SDS), and supplier declarations to ensure regulatory compliance.

Coverage and Compliance Assessment

Percentage of significant product or service categories covered and assessed for compliance	100%
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All significant chemical raw materials handled and distributed by SBS are:

- Classified and labeled in accordance with GHS
- Reviewed for compliance prior to release and distribution
- Regularly monitored to ensure alignment with applicable local and international regulations

Performance Highlights

In 2025, SBS had no cases of non-compliance concerning product and services information and labeling and marketing communications. This shows the company's commitment to meeting safety and regulatory requirements. SBS continues to follow local and international standards to ensure correct labeling.

Targets and Plans

To maintain zero cases of non-compliance.

Data Privacy

Objective

SBS Philippines Corporation remains committed to protecting the personal information of customers, employees, suppliers, and partners. Our 2025 focus was on strengthening our controls, cultivating a culture of privacy accountability, and supporting the Company's updated Risk Appetite Framework, which explicitly identifies data privacy breaches and cybersecurity vulnerabilities as low-risk-tolerance areas.

Management Approach

Data privacy governance is embedded within our risk and compliance structures and reflects the Company's strategic priorities, including:

- Low risk appetite for unauthorized access, breach, or misuse of sensitive information, especially customer and employee data.
- Cautious and controlled approach to AI and automation, ensuring privacy safeguards are in place before deployment.
- Responsible adoption of digital tools, including Sprout HRIS and Acumatica ERP, supported by human oversight and compliance controls.

In alignment with our internal Five Pillars of Privacy Accountability, SBS ensures:

1. A designated Data Privacy Officer (DPO) oversees compliance
2. Privacy Impact Assessments (PIAs) are conducted for systems that handle personal data.
3. A Privacy Management Program and Data Privacy Manual are maintained.
4. Physical, organizational, and technical security measures are implemented.
5. Breach protocols follow NPC guidelines and the Company's updated Information and Technology Risk Appetite.

Performance Highlights

- Zero substantiated privacy breaches or data loss incidents
- Conducted a series of employee training sessions, including onboarding orientations and Data Privacy Act briefings. Over 90 employees were trained, with sessions led by the DPO and IT/MIS, focusing on responsible data handling, regulatory updates, and common privacy risks.
- Continued implementation of access controls and secure storage practices across HR, Billing, Sales, Procurement, Accounting and Credit & Collection
- Sprout HRIS integration included enhanced controls on employee data access and automated consent capture.
- Department-specific privacy procedures were drafted in 2025 and are pending final approval in early 2026.

Targets and Plans

Our key initiatives for 2026 include:

- Roll out and implement department-specific privacy protocols, particularly for high-risk units such as Sales, Billing and HR.
- Launch a quarterly internal privacy and cybersecurity bulletin, featuring real-world data breach case studies, internal guidelines, and process checklists.
- Expand the scope of training to include AI-related privacy and ethics modules, supporting the Company's prudent AI adoption strategy.

Security Practices

SBS Philippines Corporation recognizes that security personnel play a critical role in maintaining a safe, orderly, and resilient workplace. Across our office and warehouse facilities, security guards contribute not only to the protection of company assets and employees, but also to the continuity of operations, risk prevention, and overall workplace well-being. As part of our sustainability commitment, we ensure that security services are responsibly managed, ethically sourced, and aligned with occupational safety, labor standards, and business continuity objectives.

Objective

SBS security management program aims to ensure the safety and security of employees, visitors, and assets within office and warehouse premises. Also, maintain a secure working environment that supports operational efficiency and employee well-being and promote responsible employment practices and compliance with labor, health, and safety standards. Lastly, to strengthen preparedness for emergencies, incidents, and business continuity risks

Management Approach

SBS Philippines Corporation engages accredited and licensed security service providers to deploy trained security guards in all key facilities. Our management approach focuses on:

1. **Compliance and Standards:** Ensuring that all security providers comply with applicable Philippine laws, including labor regulations, minimum wage requirements, and occupational safety and health standards.;
2. **Training and Competency:** Requiring security personnel to be properly trained in access control, emergency response, incident reporting, and basic first aid.;
3. **Health and Safety Integration:** Aligning security operations with company safety protocols, including fire safety, evacuation procedures, and incident escalation processes.;
4. **Monitoring and Oversight:** Conducting regular coordination meetings, performance reviews, and site inspections to ensure service quality and adherence to company policies.;
5. **Ethical and Respectful Conduct:** Promoting professionalism, respect for human rights, and fair treatment of all employees, contractors, and visitors.

Performance Highlights

Breakdown of security personnel deployed in SBS:

Area of Assignment	No. Security Personnel
Quezon City	9

SBS Philippines Corporation discloses the following practices related to security personnel as part of its sustainability and governance commitments:

1. Deployment of security guards in all office and warehouse locations;
2. Engagement of licensed third-party security agencies;
3. Implementation of access control, visitor management, and perimeter security systems;
4. Integration of security personnel into emergency preparedness and response plans; and
5. Reporting and documentation of security incidents, safety observations, and corrective actions.

In compliance with Republic Act No. 5487 or The Private Security Agency Law, the security personnel deployed in SBS attended the following mandatory trainings accredited by Philippine National Police – Supervisory Office for Security and Investigation Agencies (PNP-SOSIA):

Training / Activity / Evaluation
Drug Test
Neuro-Psychiatric Evaluation
Pre-Licensing Training Course (PLTC)
Security Guard Course—Refresher Training Program
Security Guard Course—In-Service Enhancement Training Program
Gun Safety/Proficiency Firing Training

Targets and Plans

To continuously improve the sustainability and effectiveness of our security operations, SBS Philippines Corporation has identified the following targets and plans:

1. Ensure that 100% compliance of security service providers with labor, safety, and licensing requirements and conduct regular safety and emergency response briefings involving security personnel are maintained;
2. Enhance coordination between security, safety, and facilities management teams and strengthen incident reporting and documentation for better risk monitoring and analysis.; and
3. Integrate security risk management into broader business continuity and sustainability planning, explore opportunities for additional training in areas such as disaster preparedness, environmental safety, and crisis response.
4. Include the security personnel on the onboarding and Company Policy Refresher.

Through these initiatives, SBS Philippines Corporation aims to maintain a secure, responsible, and sustainable operating environment that supports both business resilience and employee well-being.

Supply Chain Management

The Company has a highly diversified supplier base system which is currently made up of over 500 companies across our supply chain. Furthermore, no single supplier is relied upon to supply a particular chemical or group of chemicals. The Company business is not dependent on one or a limited number of suppliers.

While the Company holds some distributorship agreement globally with chemical producers, it generally maintains a strong long-term business relationship with other producers to ensure flexibility in sourcing and protection against disruptions in supply.

The Company generally procures its chemical supplies through spot purchase rather than long term supply contract. For key producers, the Company normally enter into supply framework agreements that operate on an annual basis. These agreements provide for an annual order volume forecast subject to confirmed order issued by the Company.



In 2025, the growth in global chemical production coupled with slowdown in the overall demand during the first half of the year resulted in oversupply and decreasing price trend in Asia. Three years of reduced demand and intensifying competition have reshaped supply chain dynamics across value chains. The imposition of tariff by U.S. in export from Asia had disrupted the global supply chains and increasing inventories within the region. However, logistics and transport costs continued to increase driven by geopolitical conflicts, energy cost and inflation.

The Company is now operating with enlarged warehousing facilities in two (2) sites located in Quezon City and in Bulacan to optimize its warehouse site network to serve the North Luzon markets. In addition, the Company's implementation of an Enterprise Resource Planning (ERP) System allowed it to effectively manage its electronic business data processing which includes order entry, on time delivery fulfilment, easy access and communications, supply chain and other business process.

GRI content index					
Statement of use		SBS PHILIPPINES CORPORATION has reported in accordance with the GRI Standards for the period January 01 to December 31, 2025.			
GRI 1 used		GRI 1: Foundation 2021			
Applicable GRI Sector Standard(s)		None			
DISCLOSURE	TOPIC	PAGE	OMISSION		
			REASON	EXPLANATION	
General disclosures					
GRI 2: General Disclosures 2021	2-1 Organizational details	3,5			
	2-2 Entities included in the organization's sustainability reporting	11			
	2-3 Reporting period, frequency and contact point	11			
	2-4 Restatements of information	18			
	2-5 External assurance		Not Applicable	The report hasnot undergoneexternalassurance	
	2-6 Activities, value chain and other business relationships	6,56			
	2-7 Employees	36			
	2-8 Workers who are not employees	37			
	2-9 Governance structure and composition	8			
	2-10 Nomination and selection of the highest governance body	9			
	2-11 Chair of the highest governance body	8			
	2-12 Role of the highest governance body in overseeing the management of impacts	8			
	2-13 Delegation of responsibility for managing impacts	8			
	2-14 Role of the highest governance body in sustainability reporting	9			
	2-15 Conflicts of interest	10			
	2-16 Communication of critical concerns	10			
	2-17 Collective knowledge of the highest governance body		Not applicable	Refer to Annual Report	
	2-18 Evaluation of the performance of the highest governance body	8			
	2-19 Remuneration policies	10			
	2-20 Process to determine remuneration	9,10			
	2-21 Annual total compensation ratio		Confidentiality constraints		
	2-22 Statement on sustainable development strategy	17-18			
	2-23 Policy commitments	10			
	2-24 Embedding policy commitments	10			
	2-25 Processes to remediate negative impacts	10			
	2-26 Mechanisms for seeking advice and raising concerns	10			
	2-27 Compliance with laws and regulations	10			
	2-28 Membership associations	5			
	2-29 Approach to stakeholder engagement	13			
	2-30 Collective bargaining agreements	44	Not applicable	The company has no Collective bargaining agreements	
Material topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	12			
	3-2 List of material topics	12-13			
Economic performance					
GRI 3: Material Topics 2021	3-3 Management of material topics	22			
	GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	23		
		201-2 Financial implications and other risks and opportunities due to climate change	27		
201-3 Defined benefit plan obligations and other retirement plans		23			

	201-4 Financial assistance received from government	23		
Market presence				
GRI 3: Material Topics 2021	3-3 Management of material topics	25		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	25		
	202-2 Proportion of senior management hired from the local community	26		
Anti-corruption				
GRI 3: Material Topics 2021	3-3 Management of material topics	20		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	20		
	205-2 Communication and training about anti-corruption policies and procedures	20		
	205-3 Confirmed incidents of corruption and actions taken	20		
Energy				
GRI 3: Material Topics 2021	3-3 Management of material topics	31		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	32		
	302-2 Energy consumption outside of the organization	32		
	302-3 Energy intensity	34		
	302-4 Reduction of energy consumption	33		
	302-5 Reductions in energy requirements of products and services	31		
Water and effluents				
GRI 3: Material Topics 2021	3-3 Management of material topics		Information unavailable/incomplete	Water and effluents is a new material topic
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		Information unavailable/incomplete	
	303-2 Management of water discharge-related impacts		Information unavailable/incomplete	
	303-3 Water withdrawal		Information unavailable/incomplete	
	303-4 Water discharge		Information unavailable/incomplete	
	303-5 Water consumption		Information unavailable/incomplete	
Emissions				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	33		
	305-2 Energy indirect (Scope 2) GHG emissions		Not applicable	
	305-3 Other indirect (Scope 3) GHG emissions		Not applicable	
	305-4 GHG emissions intensity		Not applicable	
	305-5 Reduction of GHG emissions	33		
	305-6 Emissions of ozone-depleting substances (ODS)		Not applicable	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Not applicable	
Waste				
GRI 3: Material Topics 2021	3-3 Management of material topics	29		
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	29		
	306-2 Management of significant waste-related impacts	29		
	306-3 Waste generated	29		
	306-4 Waste diverted from disposal	29		
	306-5 Waste directed to disposal	29		
Employment				
GRI 3: Material Topics 2021	3-3 Management of material topics	36		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	38		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	38		
	401-3 Parental leave	38		
Labor/management relations				
GRI 3: Material Topics 2021	3-3 Management of material topics	44		

GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	44		
Occupational health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	45		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	45		
	403-2 Hazard identification, risk assessment, and incident investigation	46		
	403-3 Occupational health services	45		
	403-4 Worker participation, consultation, and communication on occupational health and safety	46		
	403-5 Worker training on occupational health and safety	46		
	403-6 Promotion of worker health	46		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	47		
	403-8 Workers covered by an occupational health and safety management system	45		
	403-9 Work-related injuries	46		
	403-10 Work-related ill health	46		
Training and education				
GRI 3: Material Topics 2021	3-3 Management of material topics	39		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	39		
	404-2 Programs for upgrading employee skills and transition assistance programs	39		
	404-3 Percentage of employees receiving regular performance and career development reviews	39		
Diversity and equal opportunity				
GRI 3: Material Topics 2021	3-3 Management of material topics	42		
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	42		
	405-2 Ratio of basic salary and remuneration of women to men	43		
Security practices				
GRI 3: Material Topics 2021	3-3 Management of material topics	54		
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	55		
Customer health and safety				
GRI 3: Material Topics 2021	3-3 Management of material topics	49		
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	49		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	49		
Customer privacy				
GRI 3: Material Topics 2021	3-3 Management of material topics	53		
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	53		
Marketing and labeling				
GRI 3: Material Topics 2021	3-3 Management of material topics	51		
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	51		
	417-2 Incidents of non-compliance concerning product and service information and labeling	52		

	417-3 Incidents of non-compliance concerning marketing communications	52		
Climate Change				
GRI 3: Material Topics 2021	3-3 Management of material topics	27		
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate	27		
Supply Chain Management				
GRI 3: Material Topics 2021	3-3 Management of material topics	56		
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	56		
Range of Products and Services				
GRI 3: Material Topics 2021	3-3 Management of material topics	56		
GRI 2: General Disclosures 2021	2-6 Activities, value chain and other business relationships	6		
Storage of Products				
GRI 3: Material Topics 2021	3-3 Management of material topics	49		
GRI 416: Customer Health and Safety 2016	1.1 Topic Management Disclosure	49		
Labor Law Compliance				
GRI 3: Material Topics 2021	3-3 Management of material topics	44		
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	44		
Environmental Compliance				
GRI 3: Material Topics 2021	3-3 Management of material topics	27		
GRI 2: General Disclosures 2021	2-27 Compliance with laws and regulations	27		
Customer Satisfaction				
GRI 3: Material Topics 2021	3-3 Management of material topics	50		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	50		
Corporate Governance				
GRI 3: Material Topics 2021	3-3 Management of material topics	19		
GRI 2: General Disclosures 2021	2-29 Approach to stakeholder engagement	19		
Product Compliance				
GRI 3: Material Topics 2021	3-3 Management of material topics	49		
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	49		

Task Force on Climate-related Financial Disclosures (TCFD) Content Index

Recommended Disclosures	LTG SR Disclosure Content (Page No.)
Governance	
<i>Disclose the organization's governance around climate-related risks and opportunities.</i>	
a) Describe the board's oversight of climate related risks and opportunities.	27
b) Describe management's role in assessing and managing climate-related risks and opportunities.	27
Strategy	
<i>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.</i>	
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	27
b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	27
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	27
Risk Management	
<i>Disclose how the organization identifies, assesses, and manages climate-related risks.</i>	
a) Describe the organization's processes for identifying and assessing climate-related risks.	27
b) Describe the organization's processes for managing climate-related risks.	27
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	27
Metrics and Targets	
<i>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.</i>	
a) Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Processes are still to be set up for the future reporting of this metric
b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Processes are still to be set up for the future reporting of this metric
c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Processes are still to be set up for the future reporting of this metric