

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.

SUSTAINABILITY COMMITTEE CHARTER

This Sustainability Committee Charter (the “Charter”) sets out the role, authority, duties and responsibilities of the Sustainability Committee (the “Committee”) of San Miguel Global Power Holdings Corp. (the “Company”), and the procedures which guide the conduct of its functions.

1. PURPOSE

The Committee is established as a committee of the Board of Directors (the “Board”) of the Company to assist the Board in determining sustainable development policies, directions, and strategies and in fulfilling its oversight responsibilities in relation to the Company’s objectives, policies, and strategies pertaining to sustainability pursuant to the mandate of the Securities and Exchange Commission through SEC Memorandum Circular No. 4, Series of 2019, on Sustainability Reporting Guidelines for Publicly Listed Companies. The Committee shall undertake to: (a) assist the Board in performing its duties to determine the policies, directions, and strategies of the Company towards achieving sustainable development; (b) fulfill its oversight responsibilities in relation to the implementation of such policies, directions, and strategies; (c) assess and manage non-financial performance across Environment, Social, and Governance aspects of the San Miguel Global Power Group (the “Group”); and (d) enable the Company to measure and monitor its contributions towards achieving universal targets of sustainability in accord with the United Nations Sustainable Development Goals (SDGs).

Corporate or Business Sustainability refers to the manner in which the Company conducts its operations to meet its existing needs, without compromising the ability of future generations to meet their own needs. Sustainability gives attention to the impacts that the business operations have on material issues affecting its stakeholders and includes relevant environmental, social and governance matters.

The Company’s overarching sustainability targets, which shall be the basis for the Sustainability Committee’s oversight responsibilities, are as follows:

- (1) establish a circular economy approach by 2040;
- (2) net zero by 2050;
- (3) at least 15 million people uplifted by 2030;
- (4) a fully sustainable and ethical supply chain by 2040.

2. MEMBERSHIP AND QUALIFICATIONS

2.1 Composition

The Committee shall be composed of at least three (3) members of the Board, at least two (2) of whom shall be Independent Directors. The Chairperson of the Committee shall be an Independent Director.

The Board may appoint a Sustainability Advisor who, for the duration of the appointment, will be an ex-officio member of the Sustainability Committee.

2.2 Qualification

Each member shall have adequate understanding or competence in key environmental, social and governance principles. Each member of the Committee shall have the qualifications and none of the disqualifications of a Director, as set out in the Amended Manual on Corporate Governance. The Chairperson and the members of the Committee are appointed by the Board.

2.3 Appointment

The Chairperson and the members of the Committee shall be appointed by a majority vote of the members of the Board present either during the Organizational Board Meeting of the Company or, if there is a vacancy, during any meeting of the Board. Membership shall be reviewed every year after election of the Board by the Company's stockholders at their annual meeting, or earlier if the Board deems necessary.

2.4 Resignation / Removal

In the event that the Chairperson or any member of the Committee tenders his/her resignation from the Committee, such resignation shall become effective upon acceptance by the Board.

The Chairperson of the Committee or any of its members may be removed from office only by action of the Board.

3. STRUCTURE AND OPERATIONS

3.1 Meetings

The Committee shall meet at such times and places as it considers appropriate and as designated in the notice. The Chairperson of the Committee, any Committee member, or the Corporate Secretary of the Company may call a meeting of the Committee.

3.2 Quorum

Attendance of at least a majority of all the Committee members shall constitute a quorum for the Committee to transact business in a meeting to be convened. The Committee shall act only on the affirmative vote of at least a majority of the members present at a meeting at which there is a quorum.

3.3 Chairperson

The Chairperson of the Committee shall preside in all meetings of the Committee. In the absence of the Chairperson, the Committee members present shall elect one of their members as chairperson of the meeting.

3.4 Secretary of the Meeting

The Company's Corporate Secretary shall be the secretary of the Committee.

3.5 Notice of the Meeting

A notice of each meeting setting out the date, time, venue, and agenda shall be sent to each member of the Committee at least two (2) working days prior to the date of the meeting.

3.6 Record of Meetings

Full minutes of the proceedings of, and resolutions made during, Committee meetings, shall be kept by the Corporate Secretary. Notices, minutes, agenda and materials presented during meetings will be made available to any Committee member upon request to the Corporate Secretary.

3.7 Other Attendees

As necessary, the Committee may invite members of management and the organizational staff to attend the Committee meetings to provide relevant information or data necessary for the matters for discussion during the Committee meeting. At the discretion of the Committee, separate meetings with any member of the Company's management may be held, whenever it is deemed appropriate by the Committee for the exercise of its functions.

3.8 Access to Resources

The Committee shall have full access to management, personnel and records for the purpose of performance of its duties and responsibilities hereunder. The Committee may also obtain external legal counsel or independent professional advice if it considers it necessary in the performance of its functions.

4. DUTIES AND RESPONSIBILITIES

The main functions and duties of the Sustainability Committee include but are not limited to:

4.1 Sustainability and Operational Excellence

- (1) Review the effectiveness of the Company's policies, strategies, and initiatives in progressing towards the achievement of the Group's sustainability targets.
- (2) Provide oversight and input to Management to ensure that the Group's targets, policies, and strategies pertaining to sustainability are aligned with, promote, and advance the Company's vision and purpose.
- (3) Advise on the Company's Sustainability Report prior to reporting to the Board, including:
 - (a) assessment of issues material to the Group's stakeholders and the initiatives undertaken to address said material issues;

- (b) compliance with the Group's sustainability policies, as set out in the Group Policies and Authorities; and
 - (c) changes in sustainability policies, strategies and initiatives, and their implementation.
- (4) Review issues relating to sustainability arising from independent audits and assurance reports, ratings agencies and any matters highlighted by the external parties.
 - (5) Consider and recommend to the Board positioning on relevant emerging sustainability issues.
 - (6) Provide the Board with assurance of the quality and technical content of the sustainability information used by the Board, and of the sustainability information issued publicly by the Group.
 - (7) Oversee the stakeholder dialogue process and its outcomes that address social and environmental matters involving the Group – in particular, matters that may affect the Group's reputation. This shall include key concerns/allegations that are raised by stakeholders, evolving public sentiments, and government regulations.

4.2 Oversight of the Sustainability Management Team

The Sustainability Committee shall perform the following tasks in relation to the Sustainability Management Team:

- (1) Review the Sustainability Roadmap prepared by the Sustainability Management Team and endorse to the Board for approval.
- (2) Review status updates prepared by the Sustainability Management Team about the implementation and progress of key initiatives related to the Sustainability Roadmap. This includes discussing key findings and advising on appropriate action that is required.
- (3) Provide oversight, direction and guidance to the Sustainability Management Team in undertaking the following tasks:
 - (a) identifying emerging sustainability trends and their implications for the Group;
 - (b) tracking performance metrics and updating the Group Sustainability strategies and initiatives;
 - (c) assessing the Group's progress toward achieving sustainable outcomes, in line with the sustainability targets; and
 - (d) improving and enhancing sustainability reporting, including assurance methods.

4.3 Other Matters

- (1) Ensure that proper processes and procedures are in place to comply with all relevant laws, regulations, and rules that could have a significant impact on the implementation of the sustainability strategies.

- (2) Perform delegations of authority and responsibilities of the Sustainability Committee as the Sustainability Committee deems appropriate, and periodically review such delegations.
- (3) Undertake any such other functions as may be determined by the Board from time to time.

5. REPORTING PROCESS

5.1 Report of Meetings Convened

The Chairperson of the Committee, or in his absence, the chairperson of the meeting, shall report to the Board on the decisions and recommendations made by the Committee during the meeting it has convened in the next scheduled Board meeting.

5.2 Other Reports

The Committee shall prepare such reports as may be necessary to document the activities of the Committee in the performance of its functions and duties. Such reports shall be included in the Company's annual report and other corporate disclosures as may be required by the Securities and Exchange Commission and/or the Philippine Stock Exchange, Inc.

6. PERFORMANCE EVALUATION

6.1 Periodic Assessment

The Committee shall assess its effectiveness periodically, with the end in view of ensuring that its performance accords with best practice. Such assessment must compare its performance with the requirements of this Charter and the Amended Manual on Corporate Governance, which shall be the basis of its formulation of objectives and plans to improve its performance, including any recommendations for amendments to this Charter for approval by the Board.

6.2 Annual Review

This Charter shall be reviewed annually, updated as required, and copies of this Charter shall be made available to any requesting party upon written request to the Corporate Secretary.

7. AMENDMENT

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

Adopted by the Board of Directors on 12 August 2024.