

## ENVIRONMENTAL POLICY

As a conglomerate operating in various parts of an archipelagic country, the Philippines, that is highly exposed to the effects of climate change and environmental degradation, we feel we have the duty to support our environment by protecting our natural resources and minimizing our environmental negative impact. This includes working with suppliers, partners, and relevant government instrumentalities to protect the environment and helping our customers live more sustainably by minimizing our negative environmental impact

Protecting and enhancing the environment is vital to how Cosco Group conducts its business. This overall environment policy details how Cosco Group manages its responsibilities to the environment. This policy statement highlights some of our programs and plans for the environment which applies to all of Cosco Group's business activities, including all its business segments/subsidiaries.

### Our commitment

We have identified the following environmental issues as priority areas where we can work and focus on achieving our goals on sustainability:

- Climate Change (Greenhouse Gas Emissions): We are committed to gradually reducing our GHG emissions and carbon footprint in our entire operations and supply chain in line with *the science-based targets*. Before we set our science-based reduction targets, we first need to have the complete quantification of our GHG Emissions in all of our operations and supply chain. *Furthermore, the company plans to develop a comprehensive product carbon footprint brochure for all of our products sold in our retail stores with help from the suppliers.*

***“Cosco commits to achieving net zero carbon emissions across its operation by 2050 in support of international agreements for climate action such as the United Nation’s Paris Agreement and Glasgow Climate Pact.”***

- Waste: We are committed to minimizing our waste whether it is *food waste, solid waste, or hazardous waste* in our entire operation and supply chain. We would also help our customer lessen their waste generation and disposal.
- Resource Efficiency: We aim to operate more efficiently whether in terms of our *energy consumption (electricity and fuel), water consumption (potable and recycled), or paper consumption* of our entire operation and supply chain.

- **Biodiversity:** We will strive to support and enhance our biodiversity through partnerships with organizations with biodiversity and nature protection programs. We encourage our suppliers to source their raw materials in a way that is not harmful and does not destroy our forest and ecosystem. We also promote better management practices from our suppliers to protect and restore biodiversity and prevent loss.
- **Packaging:** We will use packaging where it serves its purpose, primarily ensuring product safety, and we will strive to ensure that the packaging materials used in our operation and supply chain are chosen to minimize our environmental impact.
- **Environmental Compliance:** We aim to be fully compliant with all environmental regulations in the Philippines including but not limited to RA 9003 (Ecological Solid Waste Management Act of 2000), RA 9275 (Philippine Clean Water Act of 2004), RA 8749 (Philippine Clean Air Act of 1999), RA 6969 (Toxic Substances, Hazardous Waste, and Nuclear Waste Control Act of 1990), PD 1586 (Environmental Impact Statement of 1978) in all of our operations and supply chain by implementing relevant environmental programs.

### **Managing our suppliers**

We encourage our suppliers to support and align with our environmental programs and initiative by ensuring that their operations comply with local environmental regulations and minimize their environmental and climate impact.

## Roles and Responsibilities

ROLES	RESPONSIBILITY
<b>BOARD SUSTAINABILITY COMMITTEE</b>	responsible for overseeing the Group's environmental obligations and holding the senior management to account in terms of delivery and progress
<b>SUSTAINABILITY STEERING GROUP</b>	responsible for monitoring changes to the external environment and consider how they impact our sustainability strategy and reputation
<b>TECHNICAL WORKING GROUP</b>	create a sustainability road map and present recommendations to advance the company's sustainability performance and agenda.
<b>SENIOR MANAGEMENT</b>	accountable for ensuring the implementation of environmental programs and driving sustainable best practices
<b>INDIVIDUAL EMPLOYEES</b>	support the environmental programs and initiatives of the company by complying with the environmental rules and regulations.