

Nurturing Our Shared Future

Optimizing Human Capital

(102-8, 103-1, 103-2, 103-3)



Our Human Capital is inextricably linked to our Social and Relationship Capital, particularly our relationship with our customers. We consider our workforce to be equally important with our clients, which is why our signature talent management experience is as vital as customer relations.

Each of our more than 9,000 employees plays a crucial role in enabling our companies to develop the best possible properties for our customers. To adapt to evolving customer needs, we also innovate our strategies for optimizing our human capital. We invest time and resources in nurturing a hardworking workforce with digital capabilities and a future-growth mindset through our people rebuilding strategy anchored on agility, innovation, and execution.

With a vision to be the workplace of choice in the country, SM Prime continues to uphold and observe the ethical and labor standards that support human rights and dignity. Our company is committed to meeting its responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights.

Providing our talents with an *aweSM* employee experience is our way of optimizing our human resources and relationships within our companies. We value the importance of quality of life for our employees. We believe in creating a well-balanced work environment because real, sustainable success of the business lies in our happy, mindful, and productive employees. As we grow, our employees grow with us because at SM, we are family.

During this pandemic, we recognize the invaluable dedication of our teams on the ground, who risked their very health and well-being every day to meet the needs of our customers. So, to nurture the very people who nurture SM Prime, we implemented programs that promote employee well-being, guided by our Be PRIME (Performance Driven, Results-Oriented, Intense, Mindful, Exceptional) core values throughout 2021.

Contribution to the UN Sustainable Development Goals (SDGs)

- Women comprised 56% of SM Prime's workforce, with women holding 47% of senior management positions
- SM Prime is a signatory of UN Women's Empowerment Principles (WEPs)
- 99.9% of our employees were vaccinated against COVID-19, and 79% were boosted
- Preserved jobs by prioritizing internal hiring through talent repurposing specifically for our businesses hardest hit by the pandemic
- Increased learning capabilities as a result of increased learning platforms with 20.3 hours of training per employee – 99% higher than the training hours recorded in 2020

Employee Profile

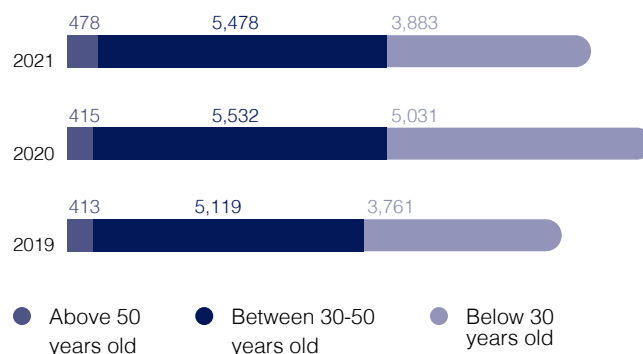
Total Headcount

2021
9,839

2020
10,978

2019
13,614

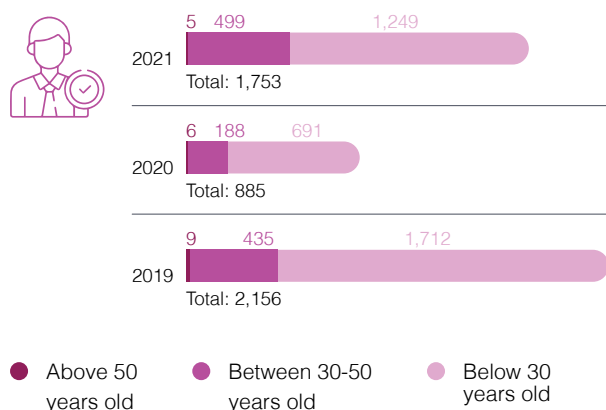
Employee Breakdown by Age



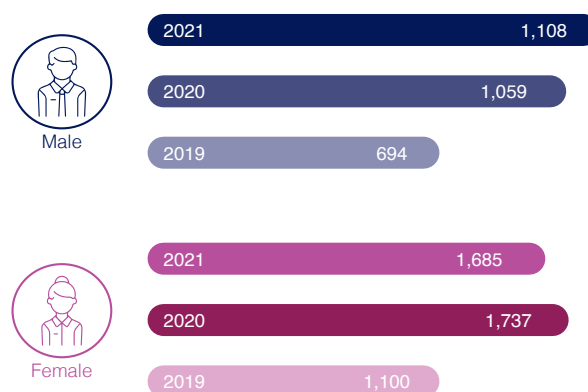
Attracting and Retaining Talent (401-1)

At SM Prime, we build and reinforce a competent and future-ready workforce by getting the right talents with right attitude aligned with our Company's values and culture. In 2021, our Human Resources Group hired 1,753 new employees, a 98% increase compared to 2020 new hires. With an employee attrition rate of 28%, there were a total of 9,839 employees in 2021.

New Hires by Age



Separations by Gender



In 2021 we continued to pivot by leveraging on our digital platforms such as SM Prime's career website smprimecareers.com, LinkedIn page: [linkedin.com/company/smphi](https://www.linkedin.com/company/smphi), and through our digital open house ensuring a safe and seamless virtual recruitment experience.

Newly hired employees all go through START PRIME with an aim of providing an exceptional Onboarding Experience. The program orients new employees on various aspects of the organization — from SM's history, SM Prime's vision, mission, and values to its current businesses and initiatives. It also integrates new employees with our Company's systems and culture and provides information on how to be productive members of their respective teams.

SM LIFE and Our Signature Talent Management Experience

(401-2)

As we value the importance of our employees' quality of life, we believe in creating an engaging work environment that will allow our employees to grow as the Company grows.

SM LIFE (Life Integration for Employees) means Working Together with a Happy Heart. This is our Employee Value proposition. We care for our employees. We value the importance of the employees' quality of life. We believe that real, sustainable success lies in our Happy, Mindful & productive employees.

As we grow, we want our employees to grow with us, because at SM, we are a FAMILY!

SM LIFE creates an engaging and fulfilling work environment which allows employees to transcend to their heroic purpose of touching the lives of our customers by providing happy

and fun family experiences, secure and affordable homes, and uplifting the quality of life for Filipino families.

Our signature Talent Management experience creates meaningful "spark moments" that matter to every employee. HR Transformational Goals focus on building an agile, innovative and execution-focused organization. The programs are delivered through the various employee touchpoints through the 5 Centers of Excellence of Recruit Right, perform Right, develop Riight, Reward Right and Engage Right.

At the heart of SM LIFE are the 3Ps: Purpose, Performance and Passion which aims to unleash the highest potential of employees in creating an SM brand that is Selfless and Magical.





Professional Development

(404-1, 404-2, 404-3)

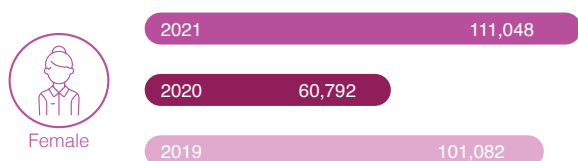
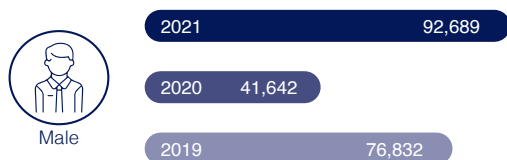
We ensure that all our employees have professional growth opportunities. We help our people find ways to unlock their maximum potential and become digitally and technologically savvy individuals. Through a strong learning culture, we maximize our human capital to fortify our talent pipeline and ensure excellent management leadership and skills for years to come.

In 2021, the employees of the SM Prime Group received an average of 20.3 hours of training per employee, amounting to 203,737 training hours in total, which is 99% higher than

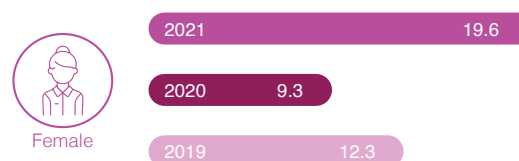
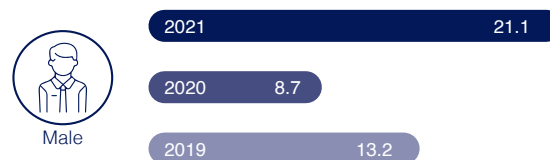
the training hours recorded in 2020. This significant increase resulted from the 93% live virtual format for all the training conducted for the year.

The Company provided more than 700 training sessions for employees for this reporting year, facilitated by SM subject-matter experts. As a result, almost 8,000 employees attended training courses on leadership, the future of work, workplace mindfulness, productivity, functional programs, continuous improvement, and sustainability and resilience.

Training Hours by Gender



Average Training Hours by Gender



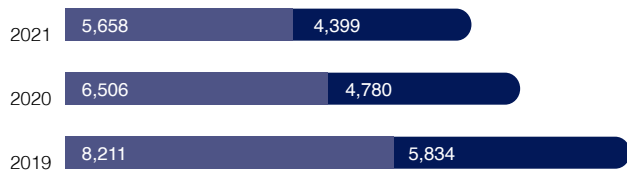
Creating Value through Diversity and Inclusion

(405-1, 405-2, 406-1)

According to the latest report from global management consulting firm McKinsey & Company, the most diverse companies are more likely to outperform less diverse peers on profitability. Various other studies similarly find that diverse companies — companies that actively recruit and promote women and underrepresented groups — produce more revenue because of their improved ability to innovate.

These insights are not lost on SM Prime as we uphold our commitment to diversity and inclusion (D&I). Through SM Prime's Group Inclusion and Diversity Agenda (GIDA), we ensure gender equality and women empowerment in the workplace, turning these advocacies into critical components of our Company's organizational culture and ability to create more value.

Employee By Gender



Senior Management



Working parallel with our SM LIFE program, GIDA encourages meritocracy-based talent development opportunities. It prohibits discrimination and harassment at work. As a result, women represent 56% of SM Prime's workforce, while women hold 47% of senior management positions in 2021.

The HR division conducted various women empowerment initiatives and events to boost our women employees' drive to excel. These include the signing of the United Nations Women Empowerment Principles, Women at Work mural and e-cards, Women at Work Webinar for Women Entrepreneurs, Fun Day at the Mall, Women's View special learning session, AweSM Moms event, webinar for breastfeeding moms, and webinar on mental wellness for women.

SM Prime also conducted other D&I programs, including the Cultural Diversity campaign, AweSM Dads and Super Men event, and Gender & Neuro-Diversity activities.

Empowering Women, Nurturing Sustainable Communities



SM Prime celebrates the extraordinary strength and power of women by signing the UN WEPs.

At the heart of every SM Prime development are communities nurtured by women. From taking care of the family to being productive workforce members, women play a crucial role in promoting sustainable and resilient communities.

SM Prime is a staunch advocate of a just and equitable society for women and girls. This is why the Company has proudly joined the ranks of over 3,000 other business leaders by signing the Women's Empowerment Principles (WEPs) of the United Nations (UN) last March 2021 as part of International Women's Day.

“Women’s empowerment should go beyond the workplace and marketplace — it should be part of everyday life.”

Established by UN Global Compact and UN Women, the WEPs aim to guide businesses in promoting the gender equality dimensions of the 2030 Agenda for Sustainable Development and the UN SDGs. As a signatory to the WEPs, SM Prime will help ensure that the UN continues to grow and serve the progress of gender equality and women's empowerment at a global scale.

“High-level corporate leadership is integral in prioritizing gender equality and women's empowerment in the workplace. For the WEPs to be ingrained in the company's sustainability strategy and organizational culture, firm high-level support and direct top-level policies for gender equality and human rights must be in place,” explained Ms. Fides Tanay, Group Chief HR Officer of SM Prime.

Women's empowerment should go beyond the workplace and marketplace — it should be part of everyday life. By adopting the seven principles of Women's Empowerment, SM Prime reinforces its strategies in promoting a gender-inclusive workforce and fosters business practices that empower women to reach their fullest potential.

How to Curb COVID in the Workplace

October 11, 2021 | 3 - 4 PM | MS Teams



DR. ANTHONY C. LEACHON

Independent Health Reform Advocate
Former President, Philippine College of Physicians
Chairman, KilKoVid



Safety, Health, and Well-being

(403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7)

Ensuring the health and safety of our team members is essential in sustaining an empowered workforce. We consistently provide healthy and safe working conditions for our people. Our health and safety programs became even more important during the most challenging periods of the pandemic when we implemented strict COVID-19 safety measures, workplace safety procedures, and a holistic physical and mental health program.

Protection against COVID-19

SM Prime religiously complied with the COVID-19 guidelines of the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF) and the Department of Health (DOH). To help employees better understand the compliance protocols, we provided webinars on pandemic-related topics with medical experts as resource persons.

Likewise, SM Prime made vaccination more accessible to employees nationwide. As a result, our employees were 99.90% vaccinated against COVID-19 and 85% boosted. We also extended contact tracing and patient care assistance to all our staff.

Keeping our people informed is also crucial during this crisis, which is why SM Prime through our COVID-19 Internal Advisory communication platform actively engaged our employees. They are provided with internal communications on health advisories and corresponding workplace measures and policies. We also made sure that we keep our people energized through health and wellness tips, with a focus on mental health support.

Disaster Response

Aside from the pandemic challenges, communities in the Visayas and Mindanao had to bear the brunt of Typhoon Odette (Rai) in 2021. Immediately after the typhoon, SM Prime gathered resources to support employees affected by the natural disaster. We provided PHP5.5M worth of relief and financial support to 659 employees. Apart from the PHP15-25,000 aid from the company, 222 employees with severe property damage benefitted from donations worth PHP517,000.



PHP5.5M

worth of relief and financial support to employees

SM Prime also reached out to employees and agency personnel with limited and no access to electricity, water, and other essentials, especially those based in Cebu. We sent 2,072 boxes of SM bottled water, 1,754 Kalinga packs from SM Foundation, 1,244 five-gallon water containers for Cebu, and 254 rechargeable solar lights for Cebu.

Other Typhoon Odette response initiatives were psychological debriefing, on-time crediting and access to payroll, calamity leaves, and extended Savings and Loan Association (SLA) calamity loans.

Additionally, SM Prime conducted disaster resilience training covering topics such as disaster drills, Teams A & B Set-up, COVID-19 awareness and management, and disaster resilience and risk management.



Mental Wellness

Aside from its effect on physical health, the pandemic has significantly impacted mental health. According to the DOH, at least 3.6 million Filipinos developed mental health issues due to COVID-19 anxieties and restrictions. The social isolation during lockdowns and the deep stress caused by the pandemic contributed to various mental health concerns, including depression, substance use disorders, and mood disorders.

To help employees cope with pandemic stress, SM Prime invested in a mental health service app called Mind You. SM Prime employees have quick access to unlimited professional psychological counseling via phone or video call through this mobile app. The app also provides employees with sustaining programs, including monthly webinars and mental wellness tips. By the end of 2021, 945 employees had activated their Mind You accounts. About 60% of booked sessions came from recurring users.

SM Prime also promoted the overall well-being of employees through various activities, including general well-being webinars, mental well-being counseling, physical exercise programs, First Friday Mass celebrations, and special masses for spiritual well-being.

SAFETY 101

Being Safe is Being Mindful



Occupational Health and Safety

(403-8, 403-9, 403-10)

Apart from protecting employees from COVID-19 and mental health concerns, SM Prime safeguards its people from accidents and ill-health. Integral to our property operations is the safety of our employees. In compliance with the Department of Labor and Employment (DOLE), SM Prime implements the Occupational Safety and Health (OSH) Standards to protect every worker against injury, sickness, and death through safe and healthy working conditions.