

Nurturing a robust workforce

SM Prime is firmly committed to providing a safe, healthy, and respectful space for all our employees and business partners.

As a values-focused company, we offer an inspiring and challenging work environment. In addition to rewarding outstanding performance with attractive compensation, we also provide individual and long-term development opportunities. Moreover, in our efforts to fully consider the environmental and human impact of our operations and services, we also seek to better engage with our suppliers and vendors, especially in sensitive and high-risk areas like construction.

To maintain our leadership position in the Philippines, we seek to constantly acquire, develop and retain the best possible talents for SM Prime. Hiring and retaining the right talent and developing the skill set of our employees is a top priority. With a 95% fill-out rate for high-potential talents (surpassing the global benchmark of 90%) and 99% training coverage, 2022 represents a banner year for SM Prime’s human resources program across all our business units.

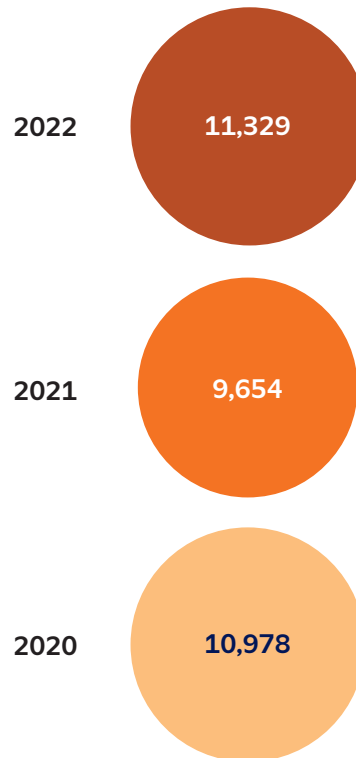
In 2022, we also saw a significant increase in employee count as the economy reopened and operations returned to near pre-pandemic levels. Additional projects and properties, from new developments and increased hotel operations, likewise contributed to the rise of our workforce.

Talent Management, Acquisition, and Retention

SM Life Integration for Employees (LIFE), SM Prime’s signature talent management and employee engagement program, is guided by the principle that a talented individual must also have the right attitude. SM LIFE considers employee engagement a collective effort, a journey of collective experiences and possibilities that involves three core aspects: learning, growing, and giving back.

However, no human resource and supplier management undertaking can thrive if it is not centered around sharp management insight. For SM LIFE, this ideal translates to centering our human capital efforts around purpose, performance, and passion. It might seem that implementing these three areas would involve a linear process.

Total Headcount of Employees



But for SM LIFE, it’s more important to follow a rich cycle that involves the following steps:

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“Getting the Right Talents with the Right Attitude”
- 
“Creating a Culture of High Performance, Grit & Execution”
- 
“Building & Accelerating Talents from Within”
- 
“Innovating Rewards. Recognizing Superior Performance”
- 
“Working Together with a Happy Heart”

SM LIFE integrates the company's values and goals to create an "aweSM" onboarding experience. By clearly defining and articulating these to new employees, SM LIFE aims to motivate them to follow our company's strongly held values and achieve our goals, thereby underscoring that SM Prime employees are crucial to our growth and success.

SM LIFE focuses on keeping everyone engaged and motivated. With regular performance reviews, feedback, coaching and mentoring sessions, SM LIFE ensures that our people align with company goals and constantly receive substantial guidance to meet their targets. As a company committed to the service of the community, it only makes sense for SM LIFE to put a premium on regular performance coaching and conversations. These enable supervisors to become more hands-on in improving team dynamics and helping team members achieve their targets. Beyond productivity and engagement, however, these sessions improve employee retention.

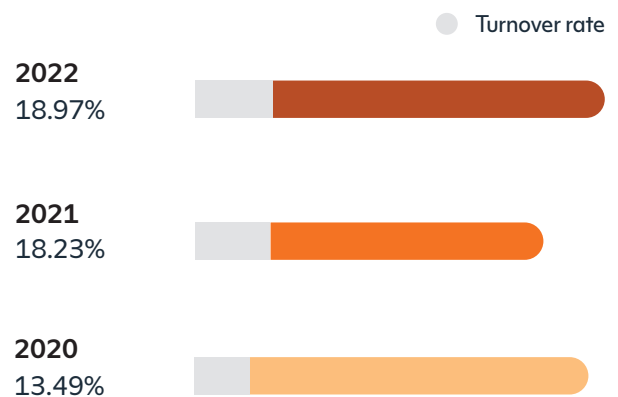
We at SM Prime advocate continuous learning to build and accelerate talents from within the company. In particular, our human resource training courses help our people improve their roles, acquire new skills, and gain more confidence and competence at work. Continuous learning also leads to greater job satisfaction, higher engagement, reduced absenteeism, improved overall employee retention, and stronger leadership succession.

We know a successful retention rate is vital to our continued growth. To achieve this, we develop programs that recognize and reward hard work, such as recognition of employee milestones and service awards, including the PRIME Excellence Awards, to fuel passion and inspire

employees to go after their goals. As for compensation, SM Prime adopted the 3 Ps: Pay for Performance, Pay for the Person, and Pay for the Position so that the company can remain competitive and attractive in the talent market.

SM Prime upholds that a happy, mindful, and productive workforce is essential to business success. This was the principle behind SM LIFE, which aims to promote holistic wellness. Through SM LIFE, we were able to develop programs and online webinars on physical health (Get Up & Move exercises), mental health (online mental health counseling), financial wellness (How to Grow Your Money), and spiritual health (First Friday Mass). Through Leadership town halls, SM Prime also provides a key venue for updating its people on company directions and long-term goals to inspire them to be part of its success.

Turnover Rate



Lifelong Learning and Professional Development

In 2022, SM LIFE continued to provide our people with online, on-demand, hybrid, and face-to-face learning courses. Not only that, SM LIFE understands that learning needs to be multi-faceted. To continually create a learning environment, SM LIFE offers employees a wide range of topics to learn about, including leadership skills, functional skills, behavior, and compliance. More importantly, no strict schedule is set for employees to finish these topics. Instead, individuals are empowered to learn at their own pace without the added pressure of comparing their progress with peers.

Experiential learning on the job provides employees with a valuable and concrete opportunity to apply their learnings. As the data, broken down by average training hours and gender, shows, the period dedicated to training and developing both male and female employees has consistently increased over the last three years, even during the pandemic.

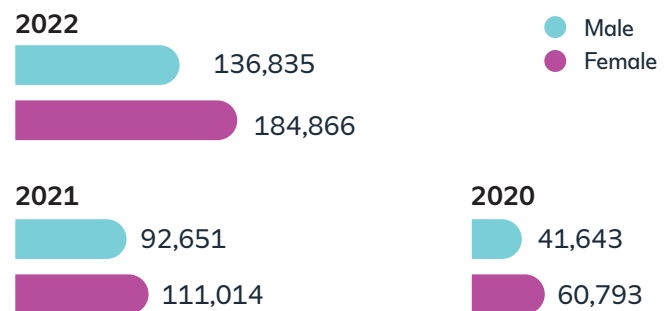
One example of the opportunity for lifelong learning was the Executive Development Program (EDP) held on December 7, 2022, with the Asian Institute of Management (AIM). Under this 10-month program, trainees gain key leadership talents in strategic-level thinking, execution excellence, and management of multiple business units or enterprise-wide initiatives.

Meanwhile, the Leasing Build Program innovates and upskills leasing professionals by developing both new and essential skills. The program has been so successful that it exceeded Managers' and Senior Managers' expectations, gaining a 3.7 rating out of 4.

Training for Excellence in EDD (TrainEDD) is an Integration Program intended for all Project Engineers of the Project Management Group (PMG). It aims to reinforce the company's vision by equipping attendees with fundamental skills and knowledge to ensure successful projection completions. It is a six-month program with 12 major courses patterned from PMI's Project Management Body of Knowledge where each courses tackles specific SMEDD processes supplemented with learning checks, mentorship, assessments and revalida.

Through the Learn @ SMDC Program, the company was able to consistently produce Certified Lean Six Sigma Yellow Belt Employees. This allows eager employees to attend the Certification Training and think out of the box to create and produce ideation projects that would enhance internal processes to make it more efficient and effective. Following a systematic framework as they analyze the root causes to provide solutions to inefficiencies and save time, effort and cost. Following the DMAIC methodology: Define, Measure, Analyze, Improve and Control.

Training by Gender

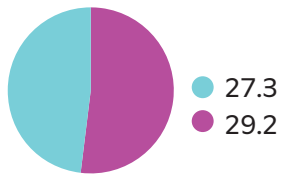




Average Training (in hours)

2022

Ave. per employee 28.4
Total training hours 321,701



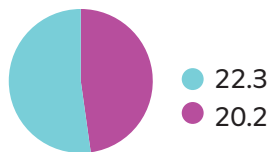
2020

Ave. per employee 9.3
Total training hours 102,436



2021

Ave. per employee 21.1
Total training hours 203,665



Diversity and Inclusion

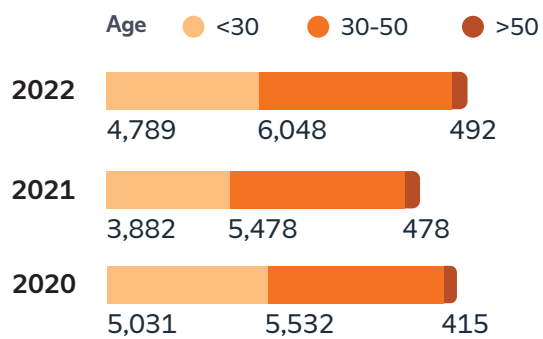
For SM Prime, openness is at the core of a diverse and inclusive workplace. This means being responsive to all perspectives and addressing the individual needs of a multi-generational and ever-expanding workforce, more than 60% of which are women and a majority of whom are millennials. This shows SM Prime as an equal-opportunity employer that invests in diversity and inclusion, especially since we are a staunch supporter of the UN Women Empowerment Principles (WEP). In the coming years, we will continue to advocate hiring from local underrepresented communities and recruit talents from various backgrounds.

To advocate for diversity, equality, and inclusivity and ensure that our employment mix is continuously enhanced, we uphold laws and regulations supporting women and working moms. For example, mothers have government-mandated maternity leaves and lactation areas in the workplace. These efforts have also been acknowledged, as Mr. Steven Tan, SM Supermalls President, was awarded a UN WEPs award for promoting women empowerment in the company.

Today, women comprise a significant percentage of SM Prime's workforce at 60%, with more women than men in managerial and non-managerial roles. Moreover, as of the end of 2022, 48% of our senior management posts are held by some of the country's most talented women in the private sector. Overall, the observed variance between female and male salaries is minimal for the entire group on average.

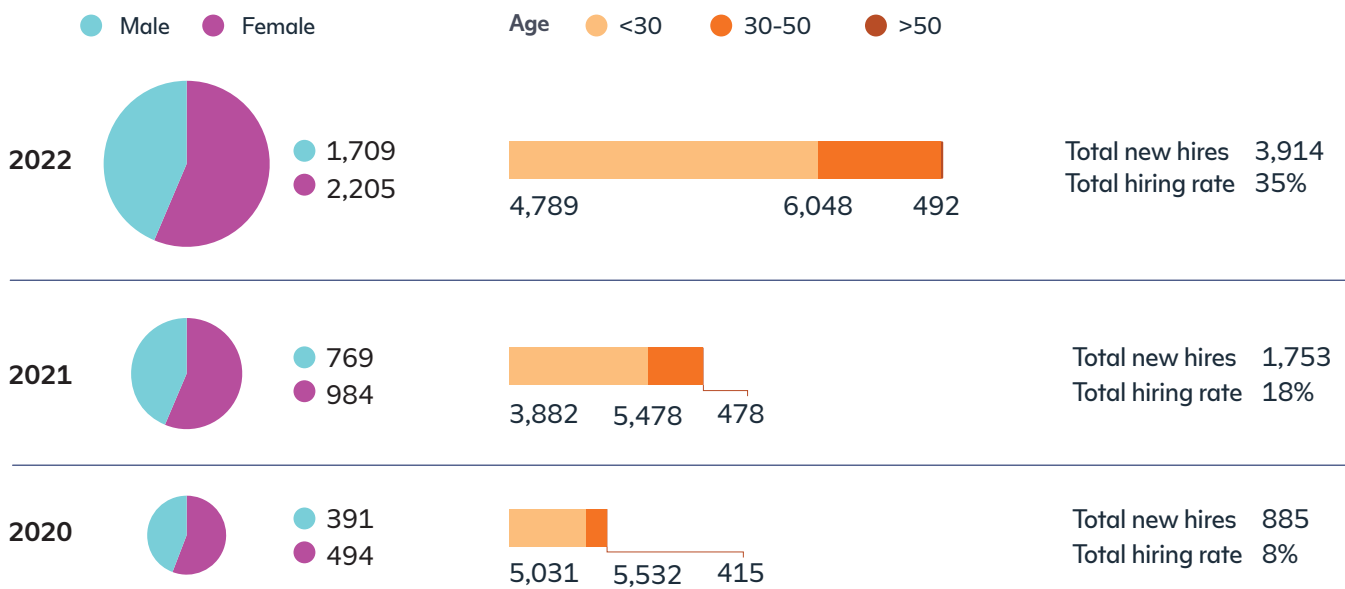
Moreover, SM Prime follows policies against non-discrimination and violence against women and children (VAWC) and implements the Magna Carta for Women. Training sessions, forums, internal communications, and campaigns augment these policies.

Employee Breakdown by Age





New Hires



Senior Management



Average Salary Ratio

(Avg. Female Salary : Avg. Male Salary)

Senior management	1:1
Middle management	1:1
Junior management	1:1
Rank-and-file	1:1

Safety, Health, and Wellness

As a company that cares for the economic well-being of our country, we at SM Prime inevitably also care for the well-being of our people. In the last three years, we ensured that all our people felt safe, protected, and informed, especially during the most challenging pandemic periods.

Through training sessions and webinars on COVID-19 variants, vaccination, and government-imposed restrictions, SM Prime's skeletal force and front-line employees remained equipped with the proper knowledge to protect all tenants' and customers' health and safety.

With an occupational health department, our company also helps our employees achieve optimal physical well-being. All employees receive training to keep them updated on safety standards. These include compliance training on disaster resiliency, business continuity management system (BCMS), compliance accreditation and certification initiative (CACI), pollution control, basic occupational safety and health (BOSH), and COVID-19 health and safety protocols. To help our people keep these valuable protocols in mind, we also established communication channels on disaster resilience and health safety. Communication is key to ensuring workplace safety and protection against health hazards. Important reminders on environmental initiatives and emergency preparedness are also communicated regularly.

In addition, our employees are provided basic benefits, including health care services, mobile annual physical exams, insurance, vacation, sick leaves, and maternity leaves. Access to clinics and occupational health nurses who are adequately trained and equipped is also easily provided to employees.

SM Prime goes beyond the basics by developing engagement activities through its SM LIFE program, now available online through the SM LIFE mobile app. Our teams can easily access physical, emotional, mental, and spiritual well-being activities through the app.

Since SM Prime prides itself in its dedication to its advocacies, we also empower our people with volunteerism programs aligned with our signature CSR program, SM Cares, so that employees can enact positive change in our communities, one small act at a time. These programs serve the environment, persons with disabilities, children or the youth, mothers, and senior citizens.

A partnership with Mind You provides employees with psychological and mental health support whenever they face personal or professional challenges. Other practical workshops also imbibe employees with valuable lessons in nutrition, stress management, and ways to ensure healthy living.

