



The SM Prime Story

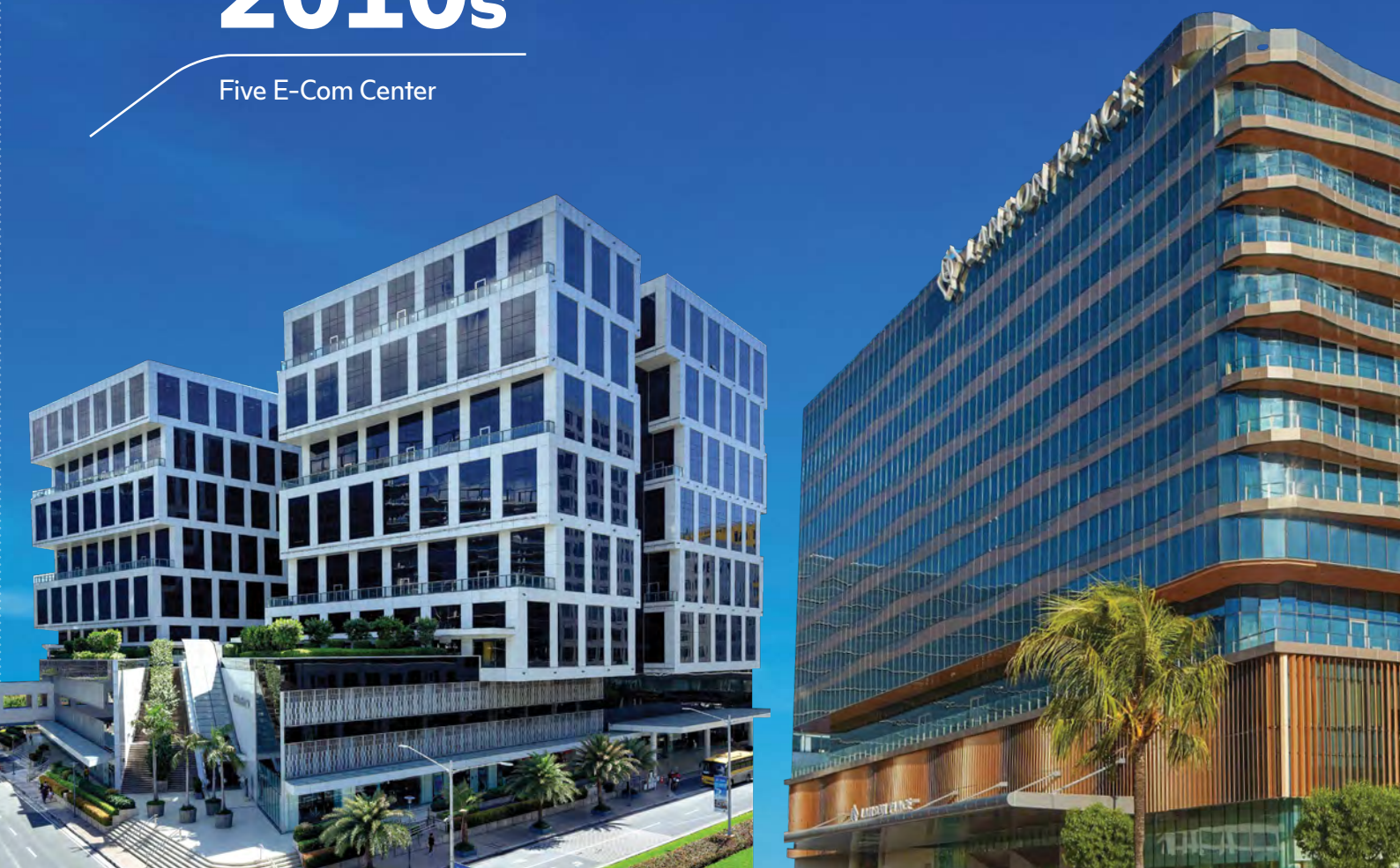
SHAPING THE FILIPINO EXPERIENCE FOR 30 YEARS

2024

Lanson Place Mall of Asia

2010s

Five E-Com Center





ABOUT THE REPORT

This Integrated Report details SM Prime's performance for the year ending December 31, 2024. It provides an overview of our financial and operating results, business models and strategies, and outlook.

Additionally, it explores our impacts and how we create and preserve value over time through sustainable and integrated property developments. These efforts support the long-term growth and sustainability of our businesses and the communities we serve.

The business units covered in this report include Malls, Residences, Hotels and Convention Centers, and Offices and Warehouses. This 2024 Integrated Report is the result of a groupwide reporting process led by our Management Committee and governed by SM Prime's Board of Directors. It was produced in collaboration with our business units and supporting departments.

This report aligns with the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, specifically IFRS S1 General Requirements of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, as championed by the Philippine Securities and Exchange Commission (SEC). It also references the Global Reporting Initiative

(GRI) Principles and aligns with the ASEAN Corporate Governance Scorecard (ACGS).

EXTERNAL VERIFICATION

SyCip Gorres Velayo & Co. (SGV), a member of Ernst & Young International Ltd., was appointed by SM Prime shareholders to examine the company's consolidated financial statements for the year ending December 31, 2024. The SGV Independent Auditor's Report and Audited Financial Statements are available at www.smprime.com/annual-financials.

SGV was also engaged to audit our environmental, social and governance (ESG) performance data for 2024. The SGV Independent Limited Assurance Statement can be accessed by scanning the QR code below.



**Through smart, sustainable and climate-resilient projects,
we are building integrated communities that emphasize
connectivity, accessibility and environmental stewardship—
elevating not just the industry but the nation as a whole.**

HENRY T. SY, JR. | Chairman



A
VISIONARY LEADER,
driven to elevate the Filipino shopping experience.

A
**RELENTLESS PURSUIT
OF GROWTH,**
expanding from malls to residences, hotels and mixed-use developments.

A
**COMMITMENT
TO EXCELLENCE,**
earning recognition for strategic management, sustainability and innovation.

We
**SHAPE THE
FILIPINO EXPERIENCE,**
reflecting the nation's aspirations and becoming an integral part of its progress.

THIS IS THE
SM PRIME STORY.



Born from a vision to elevate the Filipino shopping experience, SM Prime's journey began in 1994. In just three decades, it transformed from a mall operator to a publicly listed property conglomerate, forever changing the Philippine experience.

Early projects like SM Southmall, with its first-ever indoor theme park, signaled the company's position as an innovator. Aggressive expansion followed, bringing its iconic brand to every corner of the Philippines, from Luzon to Mindanao, and even across borders with its first mall in Xiamen, China.

But the vision went beyond malls. Diversification led to ventures in residences with projects like Chateau Elysee, The Horizon and Pico de Loro, catering to the growing demand for urban and leisure living. SM Prime also expanded into hospitality, offering world-class accommodations with hotels like Taal Vista, Radisson Blu, Conrad and Lanson Place.

The opening of the SM Mall of Asia (MOA) marked a turning point, symbolizing the company's grand ambitions. It paved the way for the MOA Complex, an integrated property development featuring the SMX Convention Center, MOA Arena and E-com Centers, all located within walking distance of SMDC's

residential condominiums. This bustling complex showcases SM Prime's diverse portfolio and its ability to create large-scale, mixed-use developments.

Throughout its journey, SM Prime has consistently earned recognition for its strategic management, corporate governance, sustainability efforts and innovative approach. It has navigated challenges, including the Asian Financial Crisis and COVID-19 pandemic, emerging stronger and more resilient.

Today, SM Prime stands tall, a testament to the power of vision and execution. With a commitment to net-zero emissions and a relentless focus on growth, the company continues to shape the Filipino experience, reflecting the nation's aspirations and dynamism.

From malls and residences to hotels and offices, SM Prime has become an integral part of the nation's progress.

MILESTONES AND MORE

1994

Founded in January as a mall operator, SM Prime quickly went public in July and rose to become a leader in the Philippine shopping and amusement industry.



1995

- SM Southmall opens, featuring the first indoor theme park, Storyland Adventure

SM Prime ranks 8th in market capitalization on the Philippine Stock Exchange

1996

SM Prime floats a US\$150 million Eurobond issue

1997

SM Prime awarded "Best Philippine Company" by AsiaMoney for strategy, management and financial reporting

1998

Recognized as a top Philippine stock by Time Magazine and as one of Asia's Strongest Companies by Finance Asia

Listed among Business Week's Top 200 Emerging Market Companies

1999

Named Best Managed Company in the Philippines by Euromoney; voted Best in Overall Strategy and Reliable Forecasting by Asiamoney

2000

SM City Pampanga opens, the first SM mall in Central Luzon

2001

- SM City Davao opens, the first in Mindanao

SM Prime expands overseas with SM City Xiamen in China

2002

SMPH wins "Best in Corporate Governance" at the Asset Awards

Launches Woodridge Place leisure residences in Tagaytay Highlands

2003

SM City Baguio opens, the first mall in Northern Luzon

- Taal Vista Hotel reopens after extensive upgrade and expansion

SMDC launches its first condominium project, Chateau Elysee



“

I get excited when I share or write stories for work because we are selling the holistic concept of SM Prime. In my 10 years here in the company I've witnessed a lot of changes and developments, and I'm looking forward to more exciting things to come.”

ALEX



2004

SMPH recognized in 12th Annual Best-Managed Companies Poll, Euromoney and the 2004 Asset Benchmark Survey

Establishes SM Cares, its corporate social responsibility arm

2005

First condominium project in Tagaytay Highlands, The Horizon, launched

Received the Top Grosser Award from the Metro Manila Film Festival with a total of 1,487,737 tickets sold in one day

2006

SMPH receives the “Most Convincing and Coherent Strategy in the Retail Sector in Asia” award from Euromoney Magazine

SM Mall of Asia opens to the public; introduces first IMAX Theater in the Philippines

SMDC launches its first high-rise condominium, Mezza Residences

2007

SMX Manila, the Philippines' largest convention center, launched

SMPH acquires three malls in China: SM City Xiamen, SM City Jinjiang, and SM City Chengdu

2008

SM Hotels and Conventions Corp. (SMHCC) established

Pico de Loro residential resort village in Batangas launched

2009

SM Prime opens its first Bicol region mall, SM City Naga

SMDC launches Wind Residences in Tagaytay

2010

First Radisson Blu in the Asia-Pacific region, Radisson Blu Cebu hotel, opens

SMPH raises Php 6.55 billion in its first equity placement since going public

2011

Pico Sands Hotel opens in Pico de Loro Cove

SMPH wins The Asset Platinum Corporate Award for management, performance and social responsibility



“

At SM Prime, you have a voice regardless of your position. **You are heard, your opinions matter, and you get to learn from your principals directly.** Very collaborative. I really like that.”

GIO

**2012**

- 📍 Mall of Asia Arena officially opens with a two-day concert of Lady Gaga

Two E-com Center office building in the Mall of Asia Complex launched

2013

All SM Group property assets consolidated under SM Prime, creating the largest integrated property developer in the Philippines

1.1 MW rooftop solar power project built in Xiamen, China

SM Group enters a joint venture with WalterMart for community malls

2014

SM Lifestyle Entertainment Incorporated (SMLEI) established

SMPH raises Php 18 billion from a placement of treasury shares

Forms a consortium with Ayala Land and Ortigas & Co.

50th mall, SM Center Angono, opens

Solar panels installed at SM North EDSA

2015

SMPH-Ayala consortium wins bid for a 26-hectare lot at South Road Properties in Cebu City

Five E-com Center office building in MOA Complex launched

SMPH acquires Cherry Foodarama grocery stores

- 📍 Hamilo Coast receives Bronze Benchmarked status from EarthCheck

2016

SM Supermalls wins Brand of the Year Award at the World Branding Awards

SMDC launches Cheer Residences in Bulacan

Conrad Manila opening raises SM Prime's hotel portfolio to 1,500 rooms

2017

- 📍 SMPH becomes the first Philippine publicly listed company to reach Php 1 trillion market value

SM City Puerto Princesa, the first premier mall in the largest province in the country, opens

2018

Three E-com Center, SM Prime's first LEED Gold office building, launched

Mall of Asia Arena hosts the 65th Miss Universe pageant





2024

SMPH celebrates its 30th founding and listing anniversary; achieves record-high earnings

\$3 billion Euro Medium Term Note (EMTN) program established by SMPH and SMIC

Lanson Place, 10th hotel property owned by SMHCC, opens in the MOA Complex

Largest IMAX with laser screen in the Philippines launched in SM Mall of Asia

2019

Four E-com Center and Three E-com Center receive Asia Pacific International Property Awards

Conrad Manila's Presidential Suite wins "Hotel Suite Asia Pacific 2019"

SMPH receives Four Golden Arrows award for corporate governance; earns "Best Companies to Work for in Asia" award

2020

All malls temporarily close due to the COVID-19 pandemic

Mall of Asia Arena is used as a Mega Swabbing Facility

SM City Butuan and SM City Mindpro open

SMPH secures SEC clearance for a Php 100 billion shelf registration

2021

The world's largest IKEA store opens at the Mall of Asia

Mega Tower, SM Prime's tallest building, launched

SMX Convention Center named Best Convention Center in the Philippines

SMPH supports the Task Force on Climate-related Financial Disclosures

2022

SMX Convention Center Clark opens in Pampanga

SMPH named Most Outstanding Real Estate Company in the Philippines by Asiamoney

SMX Convention Center Manila wins the World MICE Awards for Best Convention Center

2023

SMPH posts all-time high net income

SMPH commits to net zero emissions by 2040; recognized at the Steward Leadership 25 gathering for sustainability stewardship

Five Golden Arrow Award for corporate governance conferred to SMPH

SMHCC and Radisson Hotels Group sign franchise deal for 14 new hotels across the Philippines over the next five years





TABLE OF CONTENTS

03

**OUR
BUSINESS**

93

**VALUE CREATION
AND SUSTAINABILITY**

11

**LEADERSHIP AND
HIGHLIGHTS**

125

**FINANCIAL
REPORTS**

31

**BUSINESS
PERFORMANCE
AND OUTLOOK**

148

**ASSURANCE
REPORT**

51

**CORPORATE
GOVERNANCE**

160

**ESG
REFERENCES**





OUR BUSINESS



ABOUT THE FOUNDER, 5



COMPANY OVERVIEW, 7



OUR INVESTMENT CASE, 8

**“
WHILE I AM NOT
BIG WITH
WORDS,**



**I AM BIG IN MY
DREAMS
AND
VISIONS”**

ABOUT THE FOUNDER

HENRY SY, SR.

“TATANG”

Widely acknowledged as the Father of Modern Philippine Retail, Henry Sy, Sr. was an industrialist who became an architect of Filipino social life. His contributions extended far beyond commerce, shaping how Filipinos lived, connected and created memories.

His genius lay in understanding the Filipino psyche—our deep-rooted love for family and inherent need to belong. Tatang understood that a trip to the mall was as much about buying a pair of shoes as it was about sharing halo-halo with loved ones.

His vision evolved from a small shoe store into sprawling malls, transforming them into vibrant hubs where families bonded, teenagers forged lasting friendships, and the elderly gathered to share stories and laughter.

Beyond these social connections, SM malls nurtured a thriving ecosystem for micro, small and medium enterprises (MSMEs), allowing them to grow into beloved Filipino brands.

These malls offered a taste of aspiration, yet remained accessible to every Filipino.

Today, SM malls are microcosms of Filipino society, reflecting its diversity and pursuit of a better life. The air-conditioned halls, sky parks and activity centers offer an escape from the chaos of city life, a place where everyone—from construction worker to corporate executive—feels a sense of belonging.

Tatang understood that Filipinos craved more than just goods; they sought value, experiences, connection and shared prosperity. In SM malls, he provided a space, both physical and emotional, to fulfill those desires, shaping a cornerstone of modern Filipino life.

VISION

To build and manage innovative, sustainable integrated property developments that are catalysts for a better quality of life.

VALUES

We believe in the power of values to guide our actions and shape our success.

Our foundation rests on these key principles:

MISSION

We are driven by a deep commitment to our key stakeholders and our planet. This commitment shapes everything we do and is reflected in our mission to:

- **Serve** the ever-changing needs and aspirations of our customers
- **Provide opportunities** for the professional growth of our employees
- **Foster social responsibility** in the communities we serve
- **Enhance shareholder value** for our investors
- **Ensure** that everything we do safeguards a healthy environment for future generations

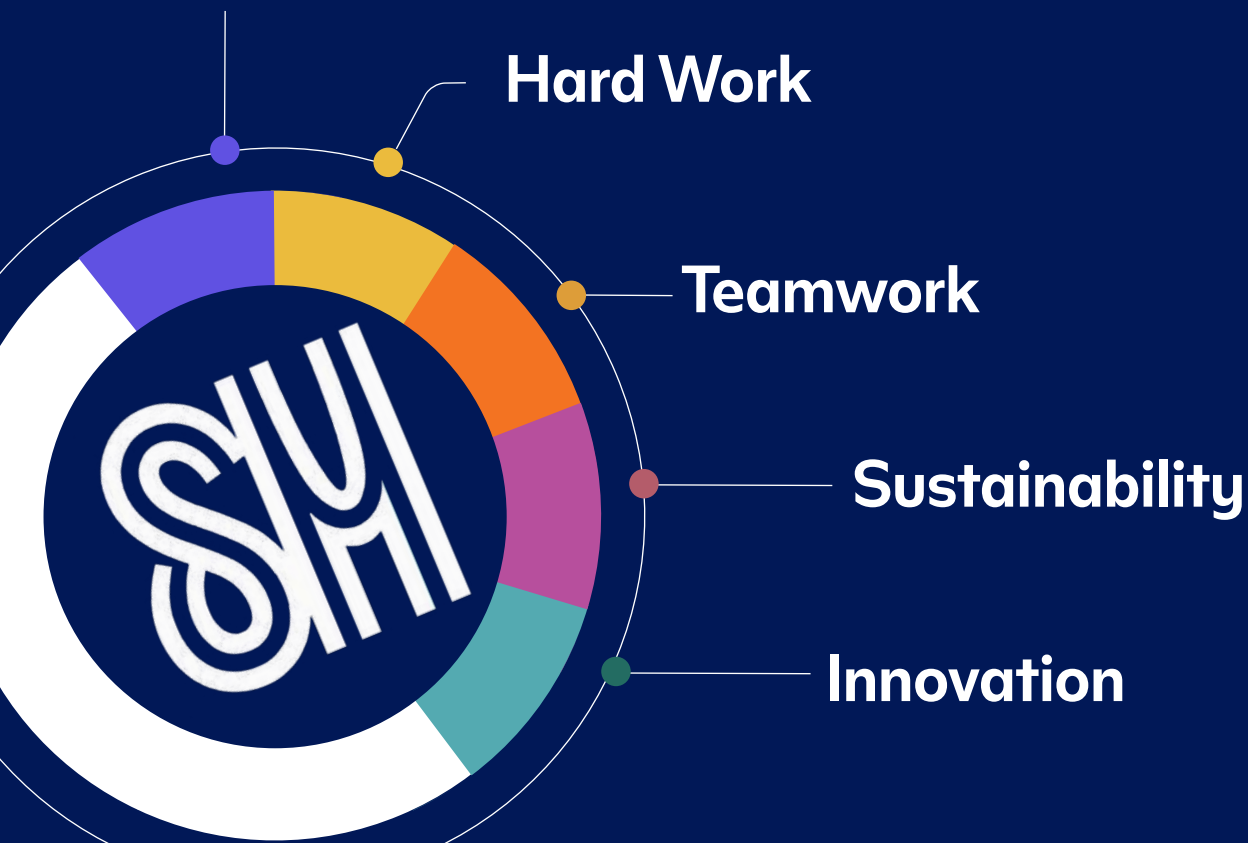
Integrity

Hard Work

Teamwork

Sustainability

Innovation



COMPANY OVERVIEW

SM Prime Holdings Inc. (SM Prime), the property arm of SM Investments Corporation, is the largest real estate conglomerate in terms of market capitalization and asset size in the Philippines.

A leading integrated property developer in Southeast Asia, the company is at the forefront of developing sustainable, transformative communities that elevate urban living while fueling economic growth across its areas of operation.

SM Prime operates 87 malls across the Philippines and 8 in China, alongside a diverse portfolio of residential, commercial, hotels, convention centers and integrated property developments.

The company is publicly traded on the Philippine Stock Exchange (PSE) under the ticker SMPH, and has been a

constituent of the PSE index since 1994. Its bonds are listed on the Philippine Dealing & Exchange Corporation (PDEX).

SM Prime is committed to delivering sustainable value to its shareholders through a consistent dividend stream. The Board of Directors carefully assesses the operating results, cash flows, investment needs and financial obligations to determine the appropriate dividend payout. Dividends are distributed within thirty (30) days of their declaration.

From time to time, the company also initiates a share buyback program when deemed appropriate based on market conditions and the company's financial position.

Php 726.3B

MARKET CAPITALIZATION

Php 1,019B

TOTAL ASSET SIZE

28.88B

OUTSTANDING SHARES

Php 25.15

CLOSING SHARE PRICE

37.18%

FREE FLOAT LEVEL

** All figures as of end of December 31, 2024*

OUR INVESTMENT CASE

SM Prime offers a compelling investment opportunity built on a foundation of strength, strategic growth and sustainable value creation.

STRENGTHS

Market leadership

Robust market capitalization, dominant industry position, long-standing retail experience and access to prime large-scale land bank

End-to-end expertise

Capabilities span the entire real estate value chain, from land banking and master planning to design, engineering, retailing and operations

Diverse portfolio

Malls, residences, offices, hotels, convention centers and mixed-use properties cater to a broad and dynamic market

Expansion strategy

Growing footprint across the Philippines while diversifying into multiple property sub-sectors

Sustainability focus

Committed to environmental stewardship, social inclusion and economic advancement

INVESTMENT HIGHLIGHTS

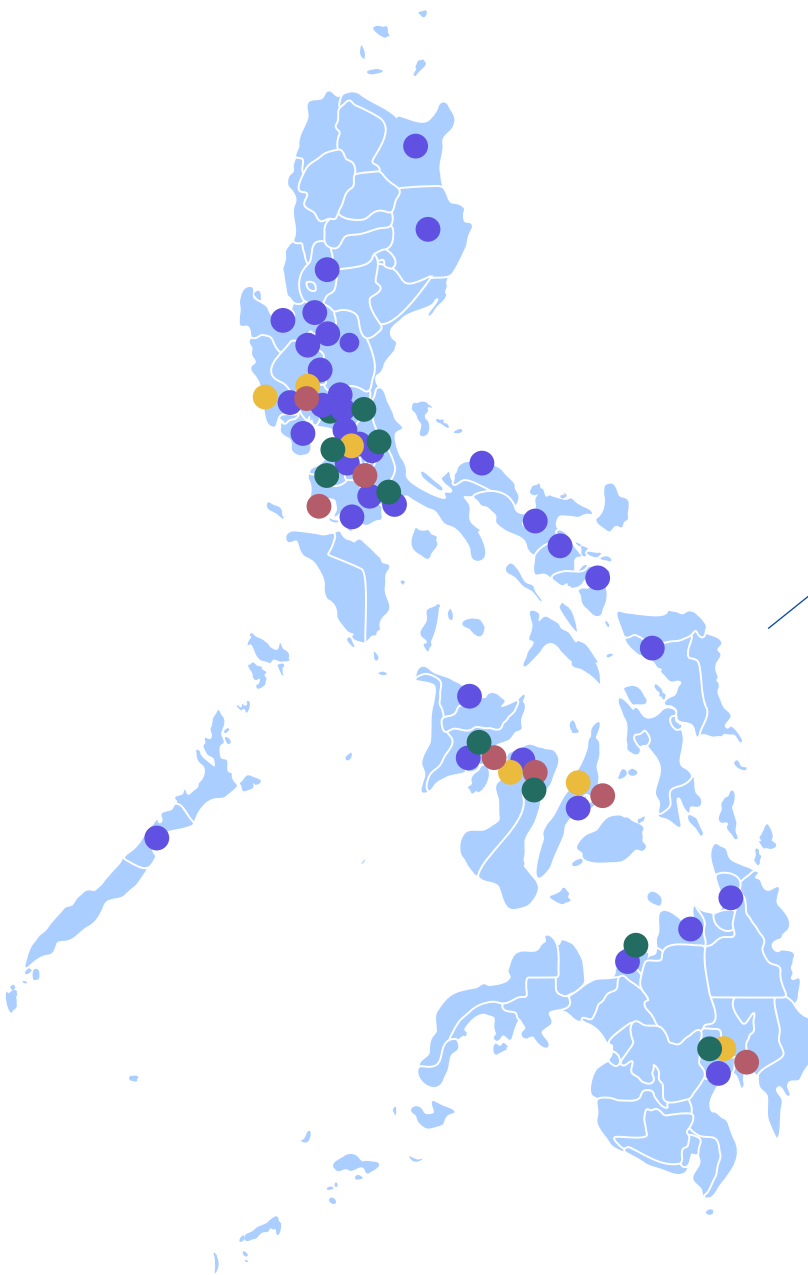
Strong financial performance driven by resilient consumer spending, targeted market expansion and innovative property developments

Strategic and solid positioning to seize growth opportunities in emerging urban hubs

Synergistic business model to optimize efficiency, creating value and driving sustainable growth

Firm commitment to good corporate governance to safeguard investor interests

Sustainable practices create long-term value for stakeholders



PHILIPPINES

GEOGRAPHIC FOOTPRINT

Our diverse portfolio encompasses iconic shopping malls, modern residences, prime office spaces, premium hotels and world-class convention centers, creating thriving communities across the Philippines and in select cities in China.

95

MALLS

186K

RESIDENTIAL
UNITS

22

OFFICE
BUILDINGS

22

INTEGRATED
PROPERTIES

2,601

HOTEL
ROOMS

RESIDENCES

SMDC
Costa De Hamilo, Inc.
Highlands Prime, Inc.

COMMERCIAL

SM Offices and
Warehouses

MALLS

SM Supermalls
SM Lifestyle, Inc.
Family Entertainment
Center, Inc.

INTEGRATED PROPERTY DEVELOPMENTS

Mall of Asia Complex
Seaside City Cebu Complex

HOTELS AND CONVENTION CENTERS

Conrad Manila
Lanson Place Mall of Asia
Park Inn
Pico Sands
Radisson Blu
Taal Vista
SMX Convention Centers



MESSAGE FROM
THE CHAIRMAN, 13

MESSAGE FROM
THE PRESIDENT, 17



LEADERSHIP AND HIGHLIGHTS



2024 CONSOLIDATED
OVERVIEW, 22



5-YEAR PERFORMANCE
SUMMARY, 24



AWARDS AND
RECOGNITION, 26

HENRY T. SY, JR. | Chairman



MESSAGE FROM THE CHAIRMAN

Our evolution from mall development to integrated property development has paved the way for our next growth phase: becoming a “developer of developers.”

As we mark three decades of shaping the Filipino experience, we celebrate a year of record-breaking success achieved against a complex landscape of geopolitical risks, shifting property market trends and cautious investor sentiment.

SM Prime delivered all-time high revenues, net income and earnings per share, underscoring the effectiveness of our value creation strategy.

Building on this strong foundation, I am pleased to share our vision for the future and how we will continue to shape the Filipino experience in the years to come.

OUR VISION

Our evolution from mall development to integrated property development has paved the way for our next growth phase: becoming a “developer of developers.”

By creating dynamic, sustainable spaces that integrate malls, hotels, offices, schools, hospitals, parks, convention centers and tourist destinations, we are shaping modern urban living—one that promotes connectivity, convenience and inclusive growth.

This progression aligns with the government’s goal of achieving upper-middle-income status for the Philippines. Empowering other developers to raise

industry standards and expand their footprint will enable us to contribute to a more competitive and resilient property sector.

Beyond real estate, our investments and partnerships will stimulate private spending, empower entrepreneurs and develop infrastructure that broadens access, unlocks opportunities and enhances quality of life.

OUR GROWTH STRATEGY

In 2023, we surpassed our pre-pandemic revenue and profit levels, and in 2024, we achieved historic results, marking a clear transition from recovery to sustained growth.

These milestones reaffirm our position as the Philippines’ leading integrated property developer. Entering a new decade, we will build on our momentum and reinforce our leadership position through a three-pronged strategy.

First, we will continue to drive organic growth by enhancing our existing portfolio. This includes expansions, renovations and a renewed focus on experiential offerings.

We recognize that malls are no longer just places to shop; they are community hubs where people gather to explore, connect and unwind. As lifestyles evolve, so

+10%

Php 140.4B

REVENUES

+14%

Php 45.6B

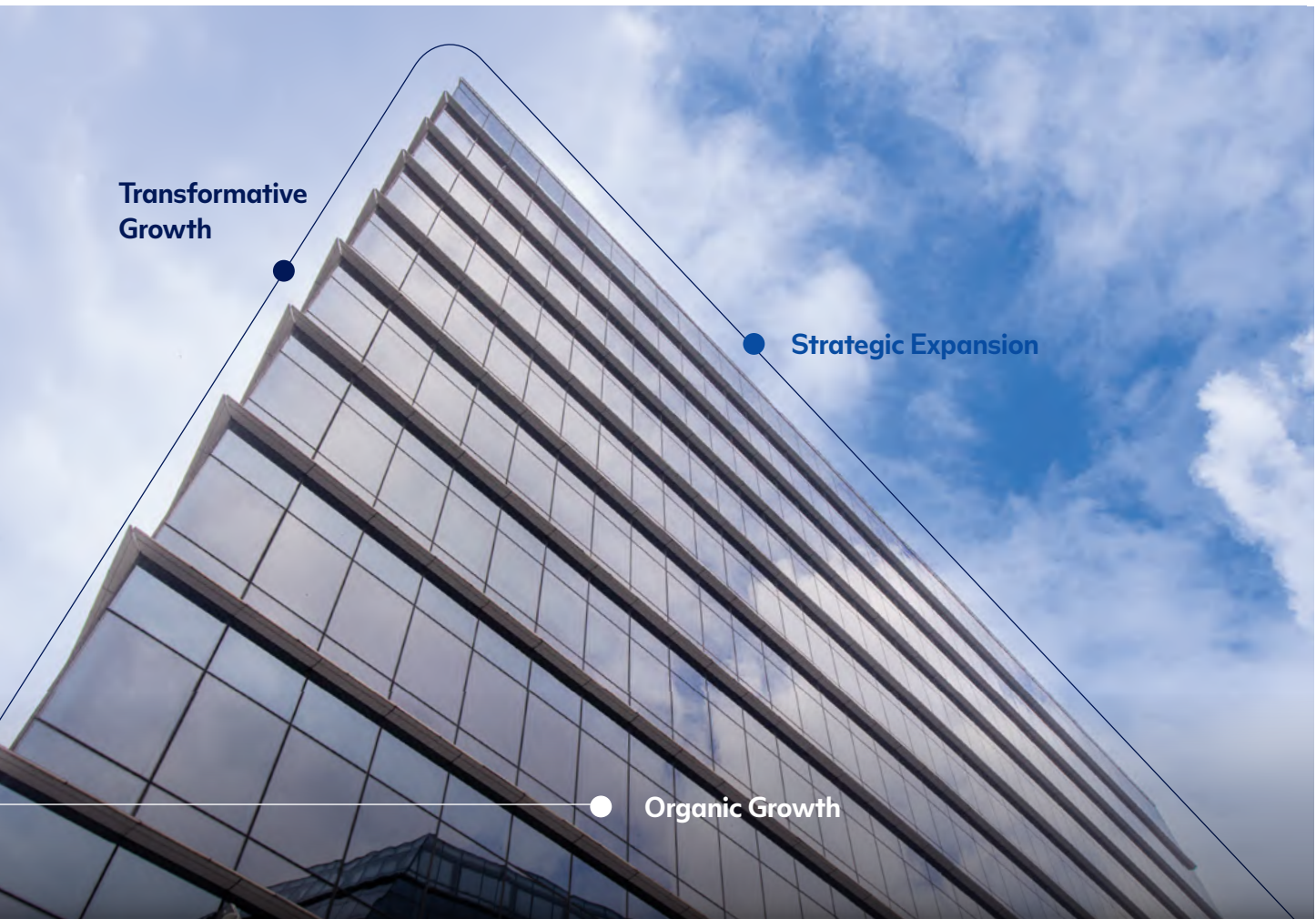
NET INCOME

+14%

Php 1.58

EARNINGS PER SHARE

OUR THREE-PRONGED STRATEGY



do we—continuously shaping SM malls to meet the changing needs of Filipinos at every stage of life.

To complement our retail offerings and create complete destinations, we are expanding our office, hotel and convention center businesses. As economic and tourism numbers continue to improve, we are strategically positioned to meet the growing demand for high-quality workspaces, accommodations and event venues.

Second, we are extending our reach into provincial and high-growth markets, ensuring that progress benefits more communities. We believe growth should be inclusive, and we remain committed to bringing our expertise and high-quality developments to underserved areas.

To achieve this, we will prioritize residential launches outside Metro Manila and develop integrated property developments (IPDs) in key locations across the Philippines.

Each IPD will be masterfully designed to become a hub for commerce, leisure, tourism and community engagement, stimulating regional economies, creating jobs and unlocking new opportunities.

We recognize that malls are no longer just places to shop; they are community hubs where people gather to explore, connect and unwind. As lifestyles evolve, so do we—continuously shaping SM malls to meet the changing needs of Filipinos at every stage of life.

Third, we are diversifying our business portfolio through several transformative projects. Our foray into urban center development, smart city initiatives and premium primary residence offerings represents a significant step forward in our evolution.

These projects will require time to fully materialize, but we are confident in the lasting value they will generate for our company, our stakeholders and the nation.

OUR COMMITMENTS

Achieving our ambitious goals requires more than business planning—it demands a strong foundation of corporate governance and a steadfast commitment to our stakeholders.

We uphold the highest standards of ethical conduct, transparency and accountability, recognizing that good governance is essential for sound decision-making and stakeholder trust.

In 2024, SM Prime, along with fellow SM Group companies SM Investments Corporation, BDO Unibank and China Banking Corporation, was honored to receive the prestigious Five Golden Arrow Award from the Institute of Corporate Directors. This recognition is the highest distinction for corporate governance in the Philippines.

Moving forward, we will continue to strengthen our governance frameworks, enhance transparency and uphold ethical business practices to sustain trust and accountability.

OUTLOOK

We expect 2025 to bring both challenges and opportunities. Global uncertainties such as geopolitical conflicts, trade disputes and climate risks may create headwinds.

However, critical economic factors including the mid-term elections, moderating inflation, wage adjustments and expected interest rate cuts are seen to boost consumer spending, business activity and investor confidence.

While some residential sub-markets face absorption challenges, the underlying demand for housing remains strong. With our extensive land bank and development expertise, we are well-placed to help address the country's significant housing backlog.

The emergence of health, tourism and education as high-growth sectors aligns with our vision of building integrated, future-ready urban centers across the Philippines. We will leverage our strengths to create spaces that bolster these sectors.

Apart from malls and residences, we have a robust and diversified project pipeline that will extend our reach, strengthen our social impact and position SM Prime for accelerated growth.

IN CLOSING

I extend my sincere gratitude to our Board of Directors for their invaluable guidance and support.

To our dedicated employees, your talent and hard work remain the driving force behind our success.

To our shareholders, business partners and the communities we serve, thank you for your trust and confidence.

We closed 2024 with record-breaking achievements, further strengthening our leadership and setting a decisive course for the future.

With three decades of growth and experience shaping the SM Prime story, we can look ahead to a new chapter—one defined by innovation, sustainability and a steadfast commitment to nation-building.



HENRY T. SY, JR. | Chairman



JEFFREY C. LIM | President

MESSAGE FROM THE PRESIDENT

Our corporate history, shaped by economic cycles and market shifts, has strengthened our agility, resilience and forward focus.

In 2024, SM Prime celebrated its 30th anniversary, a milestone that underscores our dedication to shaping the Filipino experience by investing in properties that positively impact communities.

As a founding member of the company, I have had the privilege of contributing to its remarkable transformation—from a pioneering mall developer to one of the leading integrated property developers in Southeast Asia.

Our corporate history, shaped by economic cycles and market shifts, has strengthened our agility, resilience and forward focus. This was evident in our historic 2024 performance, achieved despite challenges in the Philippine property sector.

RECORD REVENUES AND EARNINGS

SM Prime delivered a record Php 140.4 billion in consolidated revenues in 2024, marking a 10% increase from Php 128.1 billion the previous year. Higher rental income, strong real estate sales and increased revenues from services and experiential offerings drove the upswing.

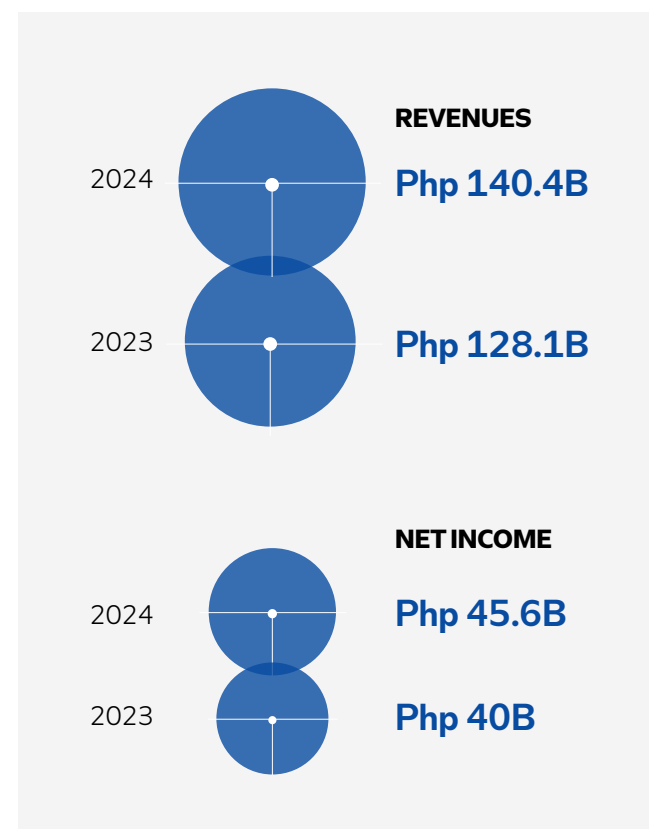
Malls remained the largest topline contributor, accounting for 55%, followed by residential developments at 34%, hotels and convention centers at 6% and offices and warehouses at 5%.

Total costs and expenses rose at a slower pace than revenues, increasing 8% from Php 66.8 billion to Php 72.4 billion as reductions in insurance, marketing and selling expenses helped offset increases in other cost components.

EBITDA grew 11% from Php 74.1 billion to Php 82.2 billion on the combined effect of strong revenue growth, controlled cost escalation and flat interest expenses.

Consolidated net income reached an all-time high of Php 45.6 billion, reflecting a 14% year-on-year increase from Php 40 billion. This uptrend was due to higher contributions across all business segments.

Malls accounted for 59% of the bottom line, followed by residential developments at 29%, offices and warehouses at 9% and hotels and convention centers at 3%.



FINANCIAL POSITION AND CAPITAL ALLOCATION

Total Assets surpassed the Php 1 trillion mark, increasing 6% from Php 943.2 billion. This growth was driven by a 20% rise in receivables and contract assets, which increased from Php 77 billion to Php 92.4 billion on the back of strong residential project sales.

Reinforcing our commitment to long-term expansion, Retained Earnings appropriated for planned construction projects and land banking activities reached Php 100 billion—more than double (137%) the previous year's Php 42.2 billion.

Total Equity attributable to equity holders of the parent expanded 9%, increasing from Php 396.2 billion to Php 433.1 billion.

Cash and Cash Equivalents declined 2%, from Php 31.8 billion to Php 31.2 billion, primarily due to higher capital outflows. Bank loan and long-term debt repayments surged 52% from Php 96.3 billion to Php 145.9 billion, while dividend payments accelerated 44% from Php 7.2 billion to Php 10.4 billion.

Total Debt climbed 6% from Php 366.7 billion to Php 389.9 billion as a result of net availments for an IPD project in Pasay City and foreign exchange translation adjustments.

Capital expenditures remained steady at Php 88.7 billion, compared to Php 88.2 billion in the previous year. The majority of investments were allocated to mall development and residential projects.

THE YEAR AHEAD

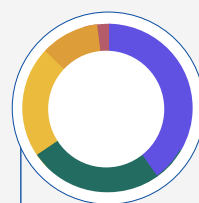
In 2025, we have earmarked Php 100 billion to support our portfolio expansion and customer experience enhancements.

Our CAPEX will be funded through a combination of internally generated cash flows and debt financing, including drawdowns from our Php 100-billion shelf registration of fixed-rate bonds, which was approved by the Securities and Exchange Commission (SEC) in June 2024.

Malls. We will open three new malls—SM City La Union, SM City Laoag and SM City Zamboanga. With these additions, SM Prime will have 90 malls across the Philippines, totaling over 8 million square meters of gross leasable mall floor area.

To optimize space and keep our customers engaged, we are also redeveloping and expanding a number of

2024 CAPEX



Php 35.3B

MALLS

Php 23.1B

RESIDENCES

Php 28.4B

COMMERCIAL AND INTEGRATED
PROPERTY DEVELOPMENTS

Php 1.9B

HOTELS AND CONVENTION CENTERS

flagship malls. See opposite page for details.

Residences. To build a balanced portfolio, we will begin offering premium primary residences to complement our economic, medium-cost and leisure offerings. All of our residential projects will also be consolidated under the SM Residences brand.

Given Metro Manila market headwinds, our 2025 mid-segment residential launches will concentrate on key regional areas. Subject to evolving market conditions, we plan to launch 7,000 to 10,000 units, priced at Php 2 million to Php 4 million, in horizontal and mid-rise formats.

Together with Belle Corporation, we are finalizing our master plan for Tagaytay Highlands to enhance the estate and turn it into a self-sustained community. The Hamilo Coast master plan will likewise be refined and expanded to drive project launches and optimize sales velocity.

Hotels and Convention Centers. To bolster our presence in the hotel and MICE sectors, we are investing Php 15 billion in a five-year expansion program. This program involves the development of eight new hotels and two convention centers in key destinations.

Complementing this expansion, we are also upgrading

OUR GROUNDBREAKING REDEVELOPMENTS

SM Mall of Asia

MOA Sky will offer a bird's eye view of the Manila Bay area, a dog park, amphitheatre, football pitch and larger-than-life structures.

SM City Bacolod

Being transformed into a new lifestyle destination with dining and shopping options, along with the first National University campus in the Visayas region.

SM Megamall

The redevelopment will introduce a nature-inspired oasis, brighter and more spacious hallways and an air-conditioned lush garden on Level 5.

SM City Iloilo

Enhancements include a new carpark building, National University Iloilo campus and completion of SM Strata Tower with a stunning garden—solidifying its position as Panay's ultimate destination.

SM City Cebu

The expansion includes more retail shops, parking slots, al fresco dining, outdoor gardens, a modern chapel, National University Cebu campus and office buildings.



OUR KEY PRIORITIES



**Water
Stewardship**



**Net Zero
by 2040**



**Waste-Free
Future**

The Hamilo Coast is home to a 10-hectare mangrove forest, considered the largest in Nasugbu, Batangas.

existing properties. At Taal Vista, Pico Sands Hotel and Park Inn by Radisson Davao, we are adding function rooms, introducing new food and beverage outlets and undertaking guestroom renovations.

Commercial and Integrated Property Developments.

We are developing Six E-Com Center, a two-tower premium office complex in the Mall of Asia Complex.

For our Pasay City IPD project, horizontal sand pouring is 60% complete as of the end of 2024, with full completion targeted by the end of 2025. Horizontal development is scheduled to begin in 2027.

The master plan is expected to be finalized in the first half of 2025, while we continue processing the necessary documents for land titling. The full project handover to the national government and the Pasay City Local Government Unit (LGU) remains on track for 2028.

SUSTAINABILITY

We continue to design, build and invest in projects that prioritize climate resilience, waste reduction and resource efficiency to help create thriving, sustainable cities.

Net Zero by 2040. In 2024, we partnered with TotalEnergies to install a 2 Megawatt-peak (MWp) Solar Photovoltaic (PV) System on the rooftop of our corporate headquarters.

The project includes over 3,670 PV panels and is expected to generate significant cost savings for the company. Additionally, the installation is projected to reduce the building's carbon footprint by approximately 1,430 tons of carbon dioxide (CO₂) emissions annually.

Waste-Free Future. We formed a waste-to-fuel partnership with GUUN Co. Ltd. to implement Japan's advanced landfill reduction technology, which converts non-recyclable packaging into fluff fuel—a sustainable alternative to fossil fuels.

This joint venture, in which SM Prime holds a 70% stake, reduces landfill waste across both SM Prime and non-SM Prime properties, complementing the Cebu LGU-led material recovery efforts and reinforcing our commitment to sustainable waste management.

Water Stewardship. Our malls, which serve millions of visitors daily, are designed with sustainable water management systems to reduce consumption and promote conservation.

We implement rainwater harvesting, wastewater treatment and water recycling technologies across our developments to optimize efficiency and minimize environmental impact. These initiatives not only ensure

responsible water use but also contribute to the long-term sustainability of the communities we serve.

CONCLUSION

As we move forward, SM Prime remains committed to sustainable growth, operational excellence and contributing to the nation's progress.

With the strong foundation we have built and the strategic steps we are taking, I am confident that the coming years will bring new opportunities for growth and greater value for our stakeholders.

I extend my sincere gratitude to our Board of Directors for their guidance, to our management team and employees for their dedication, and to our shareholders, customers and business partners for their unwavering trust and support.

Your commitment has been instrumental in making 2024 a remarkable year, and I look forward to achieving even more milestones together.



JEFFREY C. LIM | President

2024 CONSOLIDATED OVERVIEW

As a leader in integrated property development, SM Prime combines financial strength, operational growth and commitment to sustainability to create lasting value for our stakeholders.



FINANCIAL

Php 45.6BNET INCOME ATTRIBUTABLE
TO THE PARENT**Php 140.4B**

REVENUES

Php 88.7B

CAPEX

45:55

NET DEBT-TO-EQUITY RATIO

Php 25.15

SHARE PRICE

OPERATIONAL

2

NEW MALLS

Php 55.4BPRIMARY RESIDENTIAL
UNITS SOLD**85%**

OFFICE OCCUPANCY RATE

67%

HOTEL OCCUPANCY RATE

1,447

EVENT BOOKINGS

SUSTAINABILITY

> 50%ENERGY SOURCED
FROM RENEWABLES**4.05M**TOTAL GHG EMISSIONS
in MTCO₂e**5.59M**WATER RECYCLED in m³**126**

EV CHARGING STATIONS

7

LEED BUILDINGS



5-YEAR PERFORMANCE SUMMARY

Years ended December 31

FINANCIAL PERFORMANCE

(in billions of Philippine pesos, except as otherwise noted)

	2024	2023	2022	2021	2020
Revenue	140.39	128.10	105.79	82.32	81.90
EBITDA	82.17	74.08	61.09	43.11	39.28
Net Income (attributable to Parent)	45.63	40.01	30.10	21.79	18.01
Cash and Cash Equivalents	31.25	31.82	42.06	39.78	30.66
Total Assets	1,019.43	943.33	874.21	804.40	722.36
Total Debt	389.92	366.66	352.40	313.72	272.47
Total Equity (attributable to parent)	433.09	396.20	363.20	332.92	309.28
Net cash provided by operating activities	67.29	62.66	35.69	30.67	17.19
Net cash used in investing activities	-64.55	-66.71	-52.24	-44.11	-43.94
Net cash provided by (used in) financing activities	-3.30	-6.23	18.93	22.62	22.82
Capital Expenditures	88.70	88.18	75.42	64.92	59.59
Current Ratio	2.19	2.17	2.50	2.12	1.91
Net Debt-to-Equity	45:55	46:54	46:54	45:55	44:56
Asset to Equity	2.35	2.38	2.41	2.42	2.34
Return on Equity	11.0%	10.5%	8.6%	6.8%	5.9%

SHARE PERFORMANCE

as of December 31

	2024	2023	2022	2021	2020
Market Capitalization	726.31	950.13	1,025.21	979.01	1,111.85
Stock Price (in Php)	25.15	32.90	35.50	33.90	38.50
Earnings per Share (in Php)	1.58	1.39	1.04	0.76	0.62
Price to Earnings Ratio	15.90	23.73	34.03	44.9	61.70
Price to Book Ratio	1.68	2.40	2.82	2.94	3.59

NON-FINANCIAL PERFORMANCE

	2024	2023	2022	2021	2020
Energy Sourced from Renewables (in %)*	> 50	> 50	> 50	NA	NA
Total GHG Emissions (in MTCO ₂ e)	4,050,675.54	1,643,787.43	1,454,912.23	1,509,855.91	998,529.00
Water Recycled (in m ³)	5,585,826.46	4,424,985.00	3,578,032.48	4,420,729.51	3,790,000.00
Employee Headcount	13,747	12,927	11,329	9,854	10,978
Employee Turnover Rate (in %)	16.09	18.87	18.97	18.23	13.49
Gender Split	44% Male 56% Female	45% Male 55% Female	40% Male 60% Female	44% Male 56% Female	40% Male 60% Female
Pay Gap**	1:1	1:1	1:1	NA	NA
Women in Senior Management (in %)	53	44	61	47	50
Community Investment (in Php Millions)	259	198	115	122	205

* Renewable energy for RCOA qualified facilities started in Y2022.

** Data tracking began in 2022; earlier comparisons unavailable.

AWARDS AND RECOGNITION

In 2024, SM Prime and its business units earned local and global recognition for corporate governance, leadership, innovation and sustainability, cementing our reputation as a trusted integrated property developer.

SM PRIME



► WORLD'S BEST COMPANIES 2024 Time Magazine

FIVE GOLDEN ARROW AWARD
Institute of Corporate Directors

THE PHILIPPINES' BEST EMPLOYERS 2024
Philippine Daily Inquirer and Statista

TOP TEN DEVELOPERS AWARD
BCI Asia Awards

BEST CORPORATE FINANCE TEAM - CORPORATES (SOUTHEAST ASIA)
FinanceAsia Achievement Awards 2024

BEST INVESTOR RELATIONS COMPANY (PHILIPPINES)
14th Asian Excellence Award

SUSTAINABLE ASIA AWARD
14th Asian Excellence Award

ASIA'S BEST CEO (INVESTOR RELATIONS)
JEFFREY C. LIM
14th Asian Excellence Award

ASIA'S BEST CFO (INVESTOR RELATIONS)
JOHN NAI PENG ONG
14th Asian Excellence Award

BEST INVESTOR RELATIONS PROFESSIONAL
ALEXANDER POMENTO
14th Asian Excellence Award

EMINENT LEADERS IN ASIA
JEFFREY C. LIM
Asia Corporate Excellence and Sustainability Awards

TAMBULI LIFETIME ACHIEVEMENT AWARDEE
HANS T. SY
2024 Asia Pacific Tambuli Awards

► MALLS

THE PHILIPPINES' BEST EMPLOYERS 2024
Philippine Daily Inquirer and Statista

**GOLD AWARD:
EXCELLENCE IN CUSTOMER MANAGEMENT**
Marketing Excellence Awards

PHILIPPINES BRAND EXPERIENCE OF THE YEAR
Asian Experience Awards 2024

GOLD AWARD: BRAND EFFECTIVENESS THROUGH CORPORATE SUSTAINABILITY AND BRAND TRUST
PANATA Brand Effectiveness Award 2024



RESIDENCES (PRIMARY AND LEISURE)

► **BEST MID-END CONDO DEVELOPMENT
(METRO MANILA)
CHARM RESIDENCES**
The PropertyGuru Philippines Property Awards

BEST AFFORDABLE CONDO ARCHITECTURAL DESIGN
HILL RESIDENCES
The PropertyGuru Philippines Property Awards

BEST HOUSING DEVELOPMENT (LUZON)
CHEERFUL HOMES 2
The PropertyGuru Philippines Property Awards

**BEST AFFORDABLE ECONOMIC HOUSING
DEVELOPMENT (LUZON)**
SUNNYVALE 2
The PropertyGuru Philippines Property Awards

ICON OF THE YEAR AWARD
HENRY SY, JR.
19th PropertyGuru Asia Property Awards Grand Final

ASIA'S POWER WOMAN
JESSICA BIANCA T. SY
19th PropertyGuru Asia Property Awards Grand Final

OFFICES

► **BEST OFFICE DEVELOPMENT
MEGA TOWER**
Dot Property Southeast Asia Awards 2024

BEST LEED DEVELOPMENT
THREE E-COM CENTER
Dot Property Southeast Asia Awards 2024

BEST OFFICE DEVELOPMENT
FOUR E-COM CENTER
PropertyGuru Philippines Property Awards 2024

BEST BPO OFFICE DEVELOPMENT HIGH COMMENDATION
SM CITY CLARK TECH HUB
PropertyGuru Philippines Property Awards 2024

BEST OFFICE DEVELOPMENT
MEGA TOWER
Dot Property Philippines Awards 2024

BEST LEED DEVELOPMENT
THREE E-COM CENTER
Dot Property Philippines Awards 2024

BEST OFFICE DEVELOPMENT FINALIST
FOUR E-COM CENTER
PropertyGuru Asia Property Awards 2024

HOTELS AND CONVENTION CENTERS



► CUSTOMER REVIEW AWARD

Agoda

CONRAD MANILA
LANSON PLACE MALL OF ASIA
PARK INN BY RADISSON CLARK
PARK INN BY RADISSON ILOILO
PARK INN BY RADISSON NORTH EDSA
PARK INN BY RADISSON BACOLOD
RADISSON BLU HOTEL CEBU

GOLD CIRCLE AWARD

PARK INN BY RADISSON DAVAO
PARK INN BY RADISSON CLARK
PARK INN BY RADISSON ILOILO
PARK INN BY RADISSON BACOLOD
RADISSON BLU HOTEL CEBU

Agoda

MICE VENUE AWARD - EXHIBITION VENUE CATEGORY

SMX CONVENTION CENTER MANILA

ASEAN Tourism Standard Awards

TRAVELLER REVIEW AWARD

LANSON PLACE MALL OF ASIA
PARK INN BY RADISSON ILOILO

PARK INN BY RADISSON BACOLOD
PARK INN BY RADISSON NORTH EDSA
RADISSON BLU HOTEL CEBU
TAAL VISTA HOTEL

Booking.com

“RECOMMENDED” HOTEL

CONRAD MANILA

Forbes Travel Guide 2024 Awards

CERTIFIED SAFE HOTELS PREMIUM LEVEL

PARK INN BY RADISSON NORTH EDSA

Safe Hotels

BEST LOCAL CONVENTION CENTRE 2024 PHILIPPINES

SMX CONVENTION CENTER MANILA

South East Asia Business Awards

TOP 1 - PHILIPPINES' BEST CITY HOTEL

CONRAD MANILA

TRAVEL + LEISURE LUXURY AWARDS

TOP 9 BEST CITY HOTEL

RADISSON BLU HOTEL CEBU

Travel + Leisure Asia

“

Conrad feels like a reward I give myself after a long week of client meetings and juggling life as a single mom. The comfort and elegance of the space give me that much-needed breather.”

ZSA-ZSA



MEETINGS AND CONFERENCING PROPERTY OF THE YEAR – PHILIPPINES

SMX CONVENTION CENTER MANILA

Travel Daily Media Awards

PREMIUM HOTEL

TAAL VISTA HOTEL

PICO SANDS HOTEL

CONRAD MANILA

Trip.com

TRAVELERS' CHOICE AWARDS

CONRAD MANILA

PARK INN BY RADISSON BACOLOD

PARK INN BY RADISSON CLARK

PARK INN BY RADISSON ILOILO

PARK INN BY RADISSON NORTH EDSA

RADISSON BLU HOTEL CEBU

Tripadvisor

BEST BUSINESS HOTEL IN THE PHILIPPINES

CONRAD MANILA

TTG Travel Awards

BEST CONVENTION AND EXHIBITION CENTRE (PHILIPPINES)

SMX CONVENTION CENTER MANILA

TTG Travel Awards

**BEST LUXURY SUSTAINABLE HOTEL IN SOUTHERN ASIA
BEST LUXURY CONFERENCE & EVENT HOTEL
IN PHILIPPINES**

BEST LUXURY HOTEL IN PHILIPPINES

CONRAD MANILA

World Luxury Awards

BEST LUXURY CITY HOTEL SPA IN SOUTHERN ASIA

BEST LUXURY SPA RETREAT IN PHILIPPINES

CONRAD SPA

World Luxury Awards

BEST LUXURY HOTEL RESTAURANT IN SOUTHERN ASIA

BEST CHINESE CUISINE IN PHILIPPINES

BEST LUXURY FAMILY RESTAURANT IN PHILIPPINES

CHINA BLUE BY JEREME LEUNG

World Luxury Awards

PHILIPPINES' BEST CONVENTION CENTRE 2024

SMX CONVENTION CENTER MANILA

World MICE Awards

PHILIPPINES' LEADING CONFERENCE HOTEL 2024

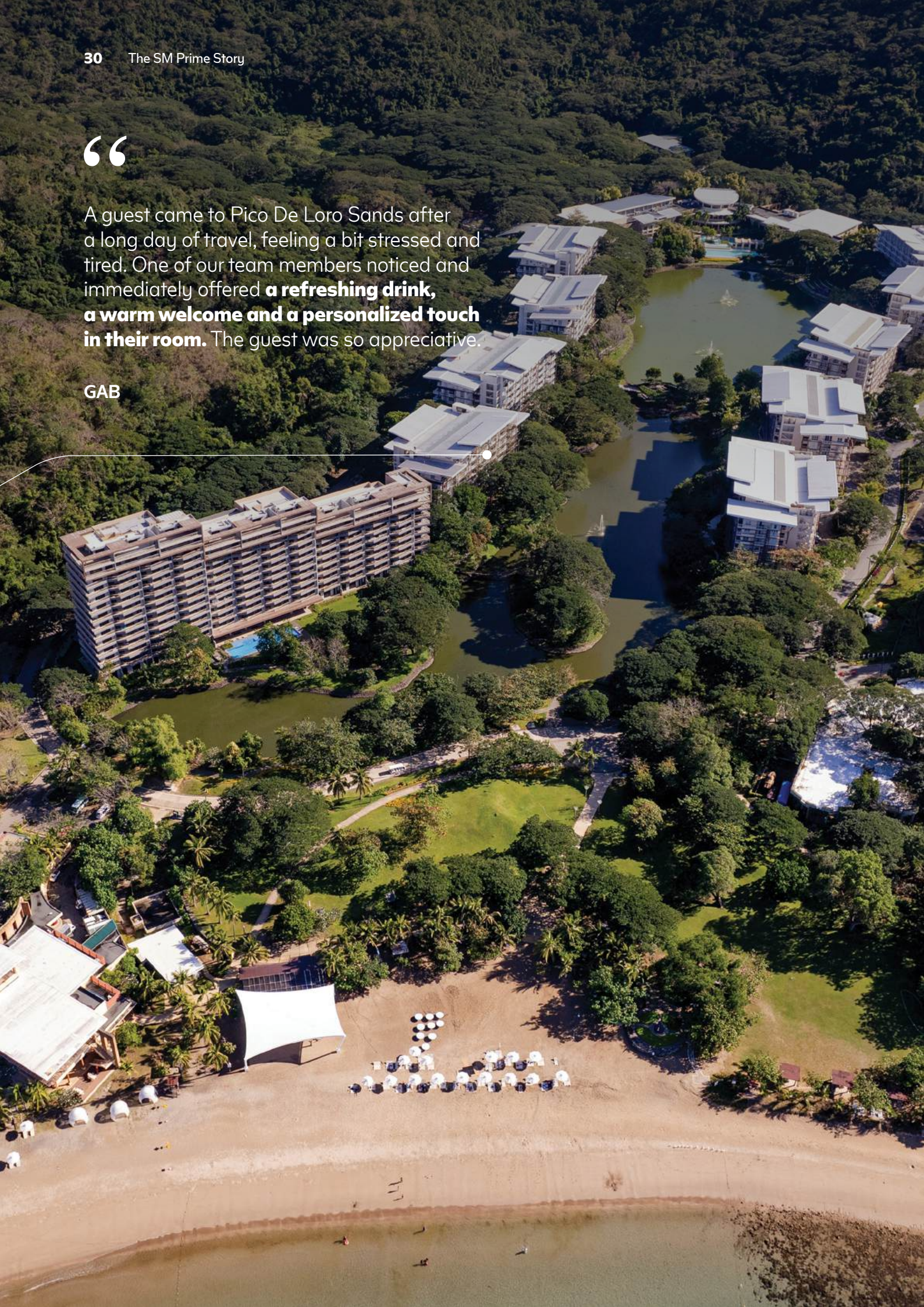
CONRAD MANILA

World Travel Awards

“

A guest came to Pico De Loro Sands after a long day of travel, feeling a bit stressed and tired. One of our team members noticed and immediately offered **a refreshing drink, a warm welcome and a personalized touch in their room.** The guest was so appreciative.

GAB



GRAND WINNER

PARK INN BY RADISSON CLARK

9th Harp Cook off Challenge

**PLAQUE OF APPRECIATION –
OUTSTANDING SUPPORT OF MICECON**

PARK INN BY RADISSON CLARK

Clark Development Corporation

READERS' CHOICE AWARD NOMINEE

CONRAD MANILA

Conde Nast

TOP 3 OVERNIGHT TOURIST ARRIVALS

TAAL VISTA HOTEL

DOT Cavite

**CERTIFICATE OF RECOGNITION FOR THE INVALUABLE
CONTRIBUTION IN THE TOURISM INDUSTRY OF NASUGBU**

PICO SANDS HOTEL

Municipality of Nasugbu, Tourism Industry and Services Office

**CERTIFICATE OF RECOGNITION FOR OUR EFFORTS
TO BE A DOT ACCREDITED ESTABLISHMENT**

PICO SANDS HOTEL

Municipality of Nasugbu, Tourism Industry and Services Office

AWARD OF RECOGNITION

PARK INN BY RADISSON CLARK

Pampanga Press Club

HIGHEST ONLINE PENETRATION

RADISSON BLU HOTEL CEBU

Radisson Hotel Group

OPERATIONAL EXCELLENCE AWARD (2023)

RADISSON BLU HOTEL CEBU

Radisson Hotel Group

HOTEL OF THE YEAR 2023 – SEAP

PARK INN BY RADISSON NORTH EDSA

Radisson Hotel Group

TALENT DEVELOPER OF THE YEAR AWARD – SEAP

ANN OLALO, PARK INN BY RADISSON NORTH EDSA

Radisson Hotel Group

GLOBAL WINNER (MOVE TO ZERO CAMPAIGN)

PARK INN BY RADISSON NORTH EDSA

Radisson Hotel Group

**TOURISM QUALITY AWARDS- MICE EVENT VENUE
CATEGORY (WINNER)**

SM CLARK

TRES Awards

**TOURISM QUALITY AWARDS - MICE EXHIBITION
CATEGORY (WINNER)**

SMX CLARK

TRES Awards

**TOURISM QUALITY AWARDS - MICE EVENT VENUE
CATEGORY (1ST RUNNER UP)**

SMX OLONGAPO

TRES Awards

**TOURISM QUALITY AWARDS - MICE MEETING ROOM
CATEGORY (2ND RUNNER UP)**

SMX CLARK

TRES Awards





BUSINESS PERFORMANCE AND OUTLOOK



MALLS, 36



RESIDENCES, 40



HOTELS AND
CONVENTION CENTERS, 44



OFFICES AND
WAREHOUSES, 48

“

As a Filipino, you know who the Sys are.

When I was a kid, my grandmother would tell me stories about them. Her office was very near the first department store, so I knew about their legacy. I like that I can contribute even just a little to the growth of the company.”

PAM



YEAR IN REVIEW

THE PHILIPPINES: A STORY OF RESILIENT GROWTH

In 2024, the Philippines experienced significant global and domestic economic shifts that influenced growth, investment trends and market dynamics.

Rising geopolitical tensions, persistent inflationary pressures, tight monetary policies, China's economic slowdown, climate change and electoral uncertainties in key countries affected investor confidence, disrupted trade flows and influenced consumer spending, creating both risks and prospects for growth.

Against this backdrop, the Philippine economy managed to grow by 5.6% in 2024, reflecting steady expansion despite missing government targets.

Household consumption rose by 5.2% for the year, indicating sustained consumer spending, while government expenditures increased by 6.9%, supporting infrastructure and public services.

However, gross capital formation slowed to 4.0% on more cautious investment activity, as higher borrowing costs in the first half of the year, global economic uncertainties and a wait-and-see approach among businesses dampened expansion plans.

The Bangko Sentral ng Pilipinas (BSP) maintained a tight monetary stance in the first half of 2024, keeping the policy rate at 6.50%, before gradually cutting rates to 5.75% by year-end to support growth amid easing inflation and global economic volatility.

Annual average inflation rate in the Philippines declined to 3.2% in 2024, down from 6.0% in 2023, remaining well within the BSP's target range of 2% to 4%.

This slowdown was largely driven by a significant drop in food and non-alcoholic beverage inflation, which fell to 4.4% in 2024 from 7.9% in 2023, easing pressure on household expenses.

Global economic headwinds and the country's trade dynamics contributed to the Philippine peso's depreciation against the US dollar. The average exchange rate weakened to Php 57.29 per USD in 2024, from Php 55.63 in 2023, reflecting a 2.9% decline.

Despite external pressures, the Philippine economy remained resilient in 2024, driven by strong consumer spending, government investments and easing inflation.

MALLS



SM Supermalls is the largest shopping mall operator in the Philippines, with 87 malls nationwide and an additional eight in China. Its main revenue streams include rental income from mall and food court leases, cinema ticket sales and amusement income from bowling and ice skating.

By the end of 2024, its Philippine portfolio covered 9.4 million square meters (sqm) in gross floor area (GFA), housing 22,579 tenants. In China, its malls in second- and third-tier cities spanned 1.7 million sqm in GFA.

Almost 70% of SM Supermalls' tenants are micro, small and medium enterprises (MSMEs), making it the country's largest marketplace for MSMEs.

2024 HIGHLIGHTS

Mall revenues increased 9% from Php 63.9 billion to Php 69.7 billion in 2024, driven by strong growth in both its core leasing business and entertainment offerings.

“

SM has made life so convenient for our family—whether it’s groceries, errands or playtime for the kids, it’s all here.”

BERNADETTE



87

Malls

9.4M

Gross Floor Area
(in sqm)

1.4B

Total Foot Traffic

92.4%

Long-Term
Occupancy

35.3B

CAPEX
(in Php)

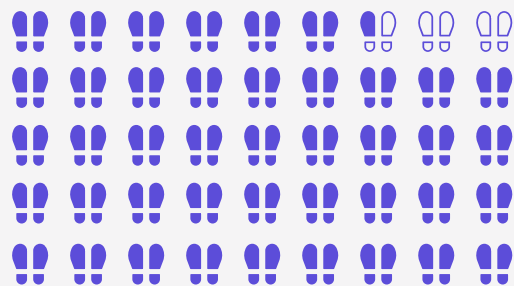
All figures for PH only except CAPEX

Rental income climbed 9% from Php 53.7 billion to Php 58.3 billion, fueled by higher foot traffic, new mall openings and the entry of new international brands. Meanwhile, cinema and other revenues rose 11% from Php 10.2 billion to Php 11.3 billion, boosted by blockbuster movie releases and growing demand for experiential offerings.

In 2024, the Philippine portfolio was expanded with two additional malls. SM City Caloocan commenced operations on May 17 along Deparo Road in Bagumbong, Caloocan City, marking the first large-scale mall in North Caloocan. The development comprises three levels and covers a mall gross floor area of 94,079 sqm with carpark.

PH FOOT TRAFFIC

+6%


 3.6M
2023

 3.8M
2024

On October 25, SM City J Mall opened in Mandaue City, becoming the fifth SM shopping mall in Cebu Province and the 87th in the Philippines. Strategically located along A.S. Fortuna Street in Barangay Bakilid, the four-level retail center has 137,981 sqm of mall gross floor area.

In 2024, SM Supermalls ended the year with a total occupancy of over 92% for long-term leases and 94% for short-term leases. This was driven by the increase in SM Supermalls' total gross floor area, the expansion of existing tenants and the entry of foreign brands—including the Disney Store, Nitori, Niko and..., and Paris Baguette.

Average daily foot traffic for the full year increased by 6% year-on-year, rising from 3.6 million to 3.8 million, propelled by an improved economy, new tenants and brands, targeted marketing, mall expansions and enhanced entertainment offerings.

2025 OUTLOOK

SM Supermalls plans to open three new malls in 2025, collectively spanning over 200,000 sqm of mall gross floor area. Laoag and La Union will each occupy over 70,000 sqm (GFA), while Zamboanga will cover approximately 60,000 sqm (GFA).

Beyond these new developments, SM Supermalls will also continue to enhance its existing portfolio. Key initiatives include the addition of Sky Parks, the

modernization of common areas, cinema upgrades, enhanced dining and entertainment offerings, and the integration of sustainable design features such as energy-efficient lighting, water conservation systems and eco-friendly materials.

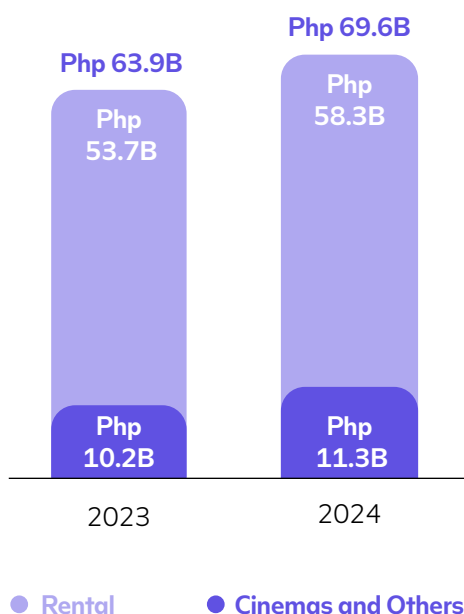
Capital expenditures for these new malls and redevelopment are projected at Php 25 billion (excluding capitalized interest).

To sustain growth and competitiveness, SM Supermalls intends to:

- **Drive foot traffic and sales** by leveraging targeted marketing campaigns and introducing new consumer experiences.
- **Adapt to changing consumer preferences** by refining mall layouts, introducing flexible retail concepts and curating offerings.
- **Refine tenant mix** by attracting diverse local and international brands that cater to evolving shopping habits and emerging lifestyle trends.
- **Incorporate sustainability** through energy-efficient designs, improved waste management, and other eco-friendly measures across new and existing sites.

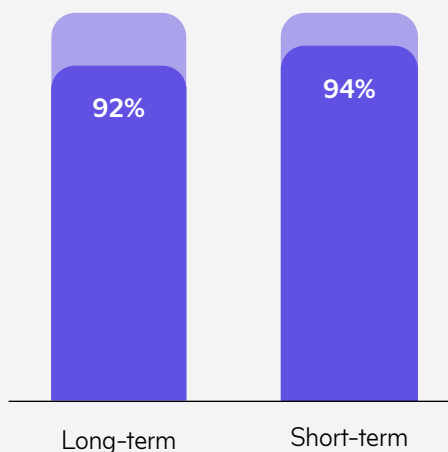
REVENUE

+9%



OCCUPANCY RATES

>90%





SM Megamall Embarks on Major Redevelopment

ADDS 20,000 SQM OF RETAIL SPACE AND AN AIR-CONDITIONED GARDEN

Located on a sprawling 10-hectare property in Ortigas Center, Mandaluyong City, SM Megamall—the Philippines’ third-largest mall and one of the world’s busiest shopping destinations with nearly one million daily visitors—has embarked on a major redevelopment plan to add 20,000 sqm of leasable space.

The expansion plan will feature a new aesthetic developed by Benoy, the renowned architectural firm behind iconic projects such as Icon Siam in Thailand and Jewel Changi in Singapore. SM Megamall’s updated design embodies a nature-inspired oasis of “Crystal Islands,” seamlessly blending exterior and interior spaces.

A key feature of the SM Megamall transformation is an air-conditioned garden on Level 5, which will utilize ethylene tetrafluoroethylene (ETFE) roofing technology to maximize natural light, maintain

comfortable temperatures and create a distinctive indoor-outdoor environment for visitors.

ETFE is recognized for its environmental benefits, including high recyclability, lightweight properties and exceptional durability, contributing to reduced energy consumption and a lower overall environmental impact.

In addition to expanding its retail space, SM Megamall will renovate its cinema complex, enhancing it with advanced technology and introducing seven theaters, two Director’s Club venues and a large-format cinema designed for special events.

The mall redevelopment plan also includes the creation of brighter, wider hallways, expanded common areas and an upgraded parking facility with over 1,000 additional parking slots.

Despite the extensive construction, SM Megamall will remain fully operational, employing strategies from previous SM mall renovations to minimize disruptions and maintain foot traffic.

Upon completion, the redevelopment will strengthen SM Megamall’s position as a premier retail hub and showcase its commitment to innovation, sustainability and exceptional customer experience.

RESIDENCES



SM Prime is consolidating its residential segment under the new ‘SM Residences’ umbrella to create a unified brand architecture for its diverse portfolio of economic, medium-cost, premium and leisure developments.

SM Development Corporation (SMDC), the core residential arm, focuses on providing affordable, accessible and well-designed homes for a diverse range of Filipinos. Its residential projects are strategically positioned near SM malls, transport hubs and business districts, ensuring residents enjoy convenience and seamless access to essential services and opportunities.

SM Residences’ premium line of primary residential developments aims to redefine upscale living by blending practicality, sophistication and exclusivity. Its bespoke vertical and horizontal developments will rise in Metro Manila, Southern Luzon and Cebu’s most sought-after addresses.

SM Leisure Resort Residences provides exclusive access to integrated communities designed for holistic



153.6B

Unbooked Revenues
(in Php)

57.6B

Reservation Sales
(in Php)

26.8K

Total Inventory
(in units)

1,877

Land Bank
(in Ha)

23.1B

CAPEX
(in Php)

Total segment figures

living, offering premium amenities and immersive natural beauty in flagship developments, Tagaytay Highlands and Hamilo Coast.

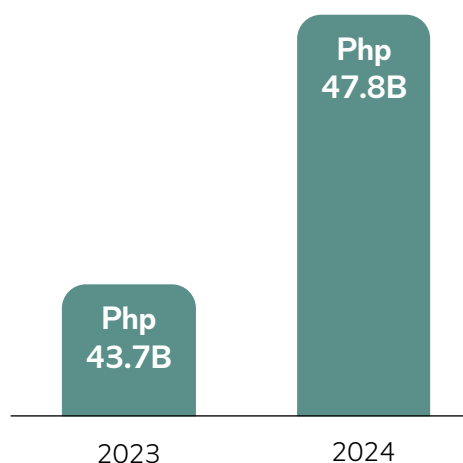
2024 HIGHLIGHTS

Consolidated residential segment revenues grew 9% from Php 43.7 billion to Php 47.8 billion, driven by higher-quality sales and increased project completion.

SMDC is maintaining its stringent buyer requirements to maintain a strong customer base and ensure seamless unit returns to inventory when necessary. Recognizing greater mid-market demand in regions beyond Metro Manila, SMDC expanded its presence with new project launches in key regional areas. These include new units at Vail Residences in Cagayan De Oro, Glade Phase 3 in

REVENUE

+9%



Jaro, Iloilo, and Cool Suites at Wind Residences Phase 2 in Tagaytay, Cavite. With these additions, SMDC now has over 186,000 residential units across 67 projects nationwide, 20 of which are outside Metro Manila.

Reservation sales reached Php 55.4 billion, reflecting a 46% decrease from Php 102 billion. This slowdown was mainly attributed to elevated inflation and interest rates, coupled with tightened buying requirements in the core segment.

Residential unit inventory stood at 26,238 units with a value of Php 163.7 billion. Only 16% of which are ready-for-occupancy (RFO) units. In 2023, inventory reached 23,763 units valued at Php 148.5 billion, with RFO units accounting for 18% of the total.

Meanwhile, SM Leisure Resort Residences launched two projects during the year, namely Phase 1 of M Village in Hamilo Coast in Nasugbu, Batangas and Highlands Residences' Ochre Tower 2 in Tagaytay Highlands.

Reservation sales in the leisure segment declined by 27%, from Php 3.0 billion to Php 2.2 billion, due to Highlands Prime, Inc. transitioning from a with-club-shares model to property-only sales.

New launches in the leisure segment increased inventory by 7%, from 3,569 to 3,806 units, with approximately 26% classified as non-RFO units.

2025 OUTLOOK

SM Residences is entering the upscale market with a new brand for its most exclusive offerings. These premium developments, priced from Php 25 million to over Php 100 million, will include both horizontal and vertical projects in prime locations across Metro Manila, nearby growth corridors and Cebu City.

The first project under this premium brand, a horizontal development in the south of Metro Manila, is scheduled for launch in the second half of 2025.

SM Leisure will expand its Tagaytay Highlands and Hamilo Coast portfolios with several new project launches planned for 2025. Offerings will include residential lots and condominium units.

SMDC is expanding beyond Metro Manila to meet rising demand in key provincial areas. By developing projects in emerging cities, it aims to offer well-planned communities with modern amenities, accessibility and convenience.

In 2025, SMDC is focusing on accelerating inventory turnover through a comprehensive strategy to drive demand, optimize sales operations and enhance buyer engagement. Key initiatives include:

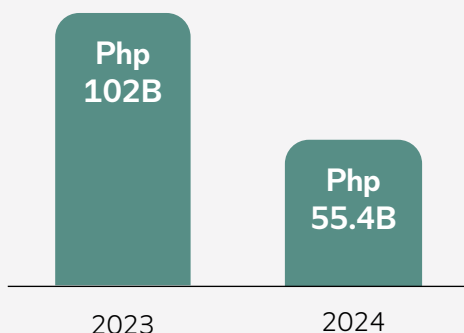
- **Targeted marketing campaigns** to reach key buyer demographics with precision and impactful messaging.
- **Enhanced incentive programs** to accelerate sales velocity.
- **Sales force optimization** to empower sales teams with the tools and training to drive exceptional performance.

Through these strategic initiatives, SMDC is reinforcing its position as a market leader while delivering greater value to homebuyers and investors alike.

Capital expenditure for the residential segment in 2025 is nearly Php 30 billion, divided between development (Php 20.7 billion) and land banking (Php 9.2 billion). The bulk of the total budget will be allocated to SMDC.

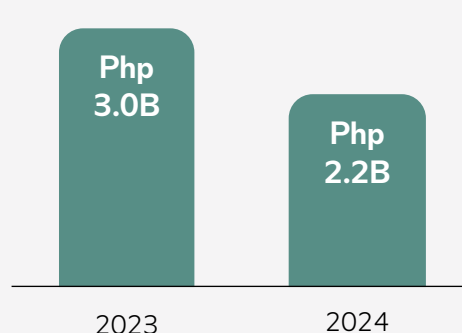
CORE RESERVATION SALES

-46%



LEISURE RESERVATION SALES

-27%





Hamilo Coast Welcomes M Village

A PREMIER RESIDENTIAL ENCLAVE IN AN ECO-RESORT SETTING

Building on the success of Pico de Loro Cove, Hamilo Coast now sets the stage for its next landmark development, M Village at Marina Estates. This exciting new cove is poised to elevate the coastal living experience, offering a fresh perspective on seaside leisure and luxury.

Nestled within the expansive 265-hectare mixed-use Marina Estates in Hamilo Coast, Nasugbu, Batangas, M Village is the first residential community in this coastal sanctuary. Thoughtfully-designed to blend seamlessly with nature, it offers a tranquil haven for discerning individuals seeking both relaxation and recreation.

Launched in July 2024, M Village comprises 174 generously sized lots, ranging from 301 to

705 square meters. Each lot affords unparalleled privacy and breathtaking views of Mt. Naligang and the lush green environs. Completion is scheduled for late 2028.

Its proximity to the soon-to-be-developed Hamilo Marina and Hamilo Golf Course will further enhance M Village's appeal, solidifying Hamilo Coast as a premier leisure destination.

With its strategic location and exclusive offerings, M Village presents a compelling opportunity for those seeking an elevated coastal lifestyle.

HOTELS AND CONVENTION CENTERS

“

Lately, I've cultivated hanging out with the younger crowd. It helps me understand our future employees and travelers. For the hotels to stay relevant, I need to know what they want, how the culture is evolving and **what we can offer that's innovative and yet staying true to who we are.**”

LEAH



SM Hotels and Conventions Corporation (SMHCC) develops and operates tourism and MICE (Meetings, Incentives, Conferences, and Exhibitions) facilities, generating revenue from room bookings, event venue leasing and food and beverage (F&B) sales.

Its diverse hotel portfolio includes luxury accommodations (Conrad Manila and Radisson Blu Hotel Cebu), leisure destinations (Taal Vista Hotel and Pico Sands Hotel) and business hotels (Park Inn by Radisson and Lanson Place Mall of Asia) in key locations across the Philippines.

SMHCC also manages standalone SMX Convention Centers and mall-based trade halls across Metro Manila and other key cities, providing premier venues for corporate events, exhibitions and large-scale gatherings.

Established in 1992, SMX Convention Centers is the largest privately-owned convention center group in the country. Its branches include SMX Manila, SMX Aura, SMX Bacolod, SMX Clark, SMX Davao and Olongapo City Convention Center, along with two trade halls—Megatrade Hall and Sky Hall Seaside Cebu.



10

Hotels

2,601

Hotel Rooms

8

Event Venues

42K

Total Leasable Area
(in sqm)

6.3M

Annual Event Visitors

2024 HIGHLIGHTS

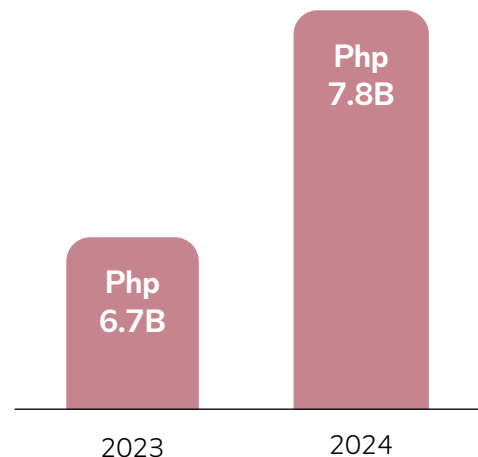
Hotel and convention center revenues reached an all-time high of Php 7.8 billion in 2024, a 17% increase from Php 6.7 billion the prior year. The double-digit improvement was driven by higher hotel occupancy and room rates, increased MICE bookings and strong F&B sales.

Phreatic activity at Taal Volcano reduced leisure hotel bookings, but overall, the hotel portfolio performed well. Luxury properties recorded the highest occupancy growth, and the average daily rate (ADR) across all hotels rose 7% year-on-year.

In April, SMHCC expanded its portfolio with the opening of Lanson Place Mall of Asia, its first serviced

REVENUE

+17%



apartment-hotel hybrid property and the Hong Kong-based brand's debut in the Philippines.

Conrad Manila received multiple industry accolades in 2024, earning top honors for luxury, business hospitality and sustainability. It was named Best Luxury Sustainable Hotel in Southern Asia and Best Luxury Conference & Event Hotel in the Philippines at the World Luxury Awards, while also winning Best Business Hotel in the Philippines at the TTG Travel Awards and Philippines' Leading Conference Hotel at the World Travel Awards. Its signature dining and wellness offerings, China Blue by Jerome Leung and Conrad Spa, also received multiple awards at the World Luxury Awards.

SMX Convention Centers recorded a 15% increase in events, driving total foot traffic to 6.3 million. SMX Manila led in total bookings, while SMX Clark posted the highest growth, fueled by major events such as the 50th National Convention of the Philippine Institute of Civil Engineers and MICECON 2024.

SMX Manila received top industry awards in 2024, including Best Local Convention Centre from APAC Insider's South East Asia Business Awards, Best Convention Center in the Philippines from the World MICE Awards and Best Convention & Exhibition Center at the 33rd TTG Travel Awards.

2025 OUTLOOK

The Philippine tourism industry had a remarkable year in 2024, generating a record-high Php 760.5 billion in revenues, a 9% increase from the previous year. This

growth also surpassed pre-pandemic levels by 27%, reflecting the strong resurgence of both business and leisure travel.

The MICE industry is similarly rebounding, presenting opportunities for targeted expansion in hotels and convention centers.

Building on this momentum, SMHCC is investing nearly Php 15 billion in a five-year expansion program set to deliver eight new hotels and two convention centers by the end of 2028. This expansion will add over 1,500 guestrooms and 47,000 square meters of leasable space to its portfolio.

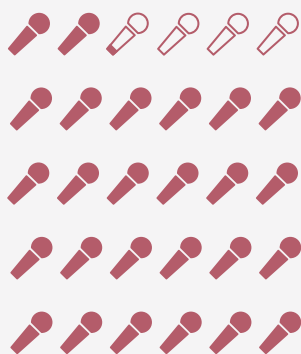
In addition to expansion, upgrades to existing properties are underway to enhance guest experiences and maintain market competitiveness. Taal Vista, Pico Sands Hotel and Park Inn by Radisson Davao are undergoing renovations to add new function rooms, expand F&B offerings and upgrade guest accommodations.

SMX Convention Centers are positioning themselves for the industry's continued recovery. Its Cebu location, set to open in Q4 2026, will be SMHCC's largest convention venue, surpassing SMX Manila in capacity. The 40,879-square-meter facility will offer 24,212 sqm of leasable space, opening alongside a three-star hotel, followed later by SM Arena and a four-star hotel.

Further expansion plans include the phased developments of SMX Clark and SMX Manila scheduled between 2027 and 2028, respectively.

NUMBER OF EVENTS (Convention Centers)

+14.7%

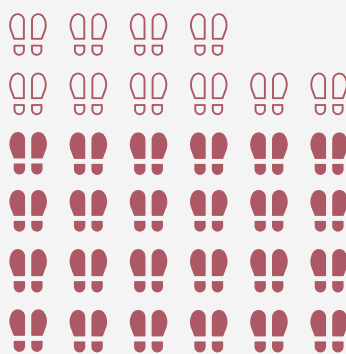


1,476
2023

1,693
2024

FOOT TRAFFIC (Convention Centers)

+40%

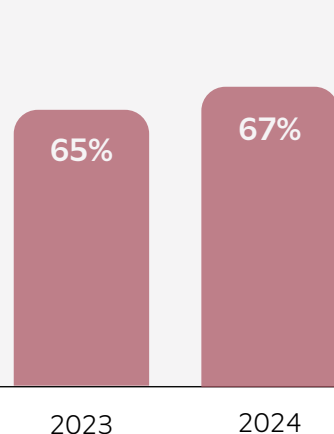


4.5M
2023

6.3M
2024

OCCUPANCY RATE (Hotels)

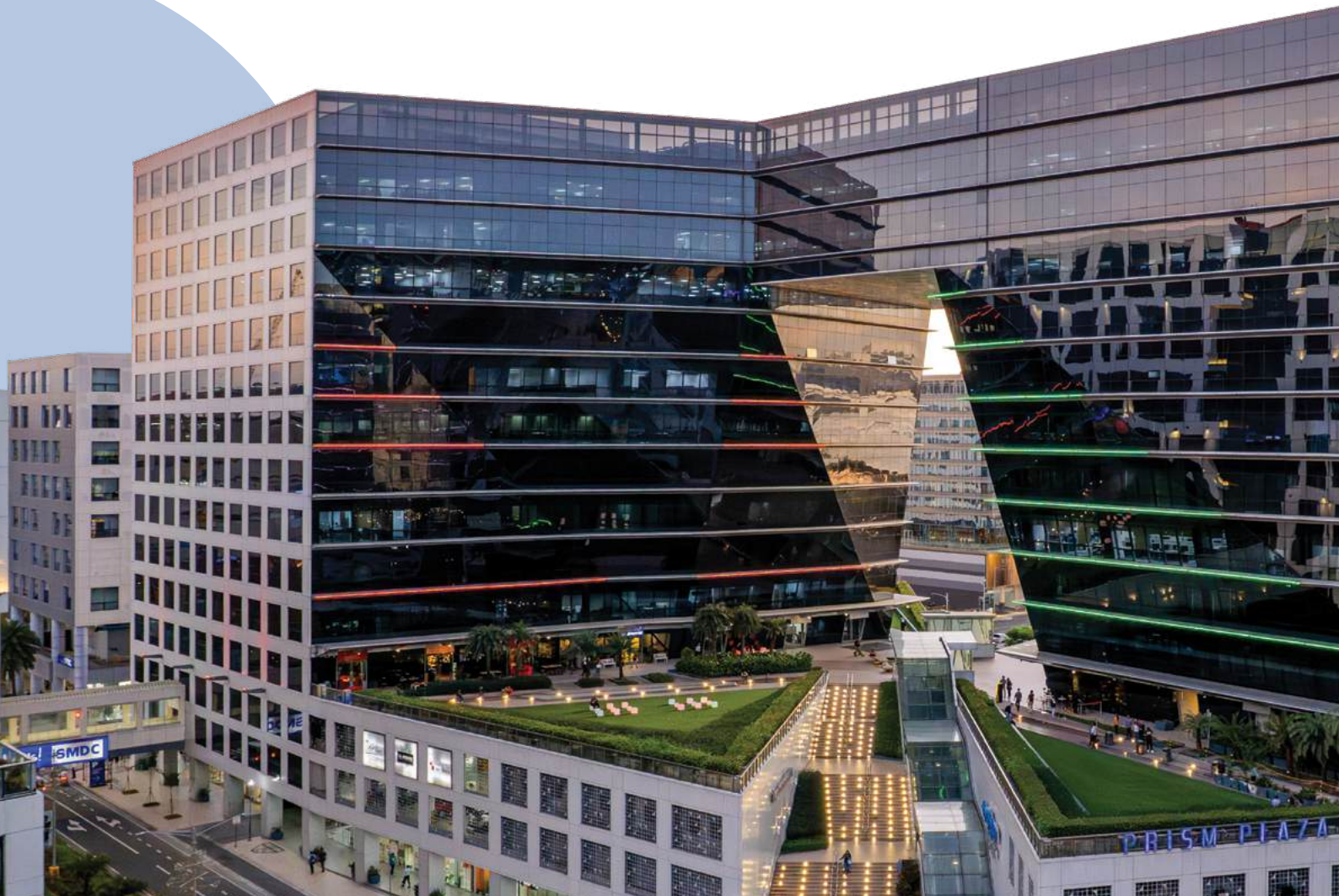
+2pp



2023

2024

OFFICES AND WAREHOUSES



SM Commercial Properties Group develops, leases and manages SM Prime's office and warehouse portfolio, strategically located in key commercial districts, major cities and high-growth provinces.

Its standalone and mall-based office spaces serve a diverse range of multinational and local companies across financial services, retail, information technology, telecommunications, logistics and business and knowledge process outsourcing (BPO/KPO) firms.

SM Offices provides a combination of build-to-suit and ready-to-use workspaces, designed with convenience, employee well-being and sustainability in mind. The E-Com Centers—a series of modern, iconic office buildings in the Mall of Asia Complex—feature LEED-certified structures, energy-efficient systems, water conservation measures, responsible waste management and e-vehicle charging stations.

SM Warehouses, located in Paranaque, Taguig, Tondo, Laguna, Quiapo and Pasig, support both the

“

Being based in the E-Com Towers has been a game-changer for our organization, allowing us to grow and scale with confidence.

The E-Com teams have been incredible partners—reliable and fully aligned with our operations. Their unwavering support and collaboration have ensured smooth day-to-day operations, and we move forward with peace of mind knowing we have such strong, committed partners by our side.”

AMAZON PHILIPPINES

22

Office Buildings

963K

Leasable Office Space (in sqm)

85%

Office Occupancy Rate

6

Warehouse Properties

226K

Leasable Storage Space (in sqm)

SM Group's retail operations and third-party tenants looking for storage facilities in Metro Manila and nearby areas.

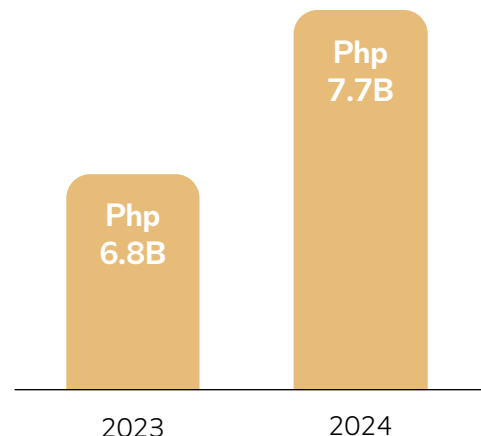
2024 HIGHLIGHTS

Occupancy levels remained robust, with revenues from offices and warehouses growing by over 13% from Php 6.8 billion to Php 7.7 billion, driven by improved office occupancy and higher demand for warehouse spaces despite a challenging market environment.

Backed by prime locations and high-quality workspaces, over 45,000 sqm of office space were signed during the year, reflecting a 10% increase from the previous year. There was a notable shift in tenant

REVENUE

+13%



preferences towards provincial areas and mixed-use developments that include, or are close to, retail and recreational amenities.

The strong leasing performance was supported by the expansion of multinational corporations, BPO firms and technology companies, alongside renewals from key tenants. Meanwhile, all warehouse properties remained fully occupied, reinforcing SM Prime's position as a preferred logistics partner in a growing e-commerce landscape.

SM Prime's office developments also garnered industry recognition in 2024, underscoring excellence in design, sustainability and business impact.

At the Southeast Asia Regional Dot Property Awards, Mega Tower was named Best Office Development, while Three E-Com Center won Best LEED Development. The PropertyGuru Philippines Property Awards recognized Four E-Com Center as Best Office Development, with SM Clark Tech Hub earning a High Commendation for Best BPO Office Development.

2025 OUTLOOK

SM Offices continues to expand, with the construction of more than 100,000 sqm of mall-based offices and Six E-Com Center underway. Located in the Mall of Asia Complex, Six E-Com Center will be the latest in the E-Com Series, offering over 60,000 sqm of premium leasable workspace, featuring expansive floor plates, state-of-the-art facilities and energy-efficient systems, catering to traditional corporations, BPO firms and multinational companies.

To attract more tenants to both its standalone and mall-based offices, SM Offices is using a comprehensive approach: actively promoting its spaces, providing attractive rental options, offering flexible lease agreements and upgrading its buildings with advanced, eco-friendly technologies to better serve its tenants.


With all six warehouse properties operating at full capacity and demand for logistics rising—driven by e-commerce growth and the need for temperature-controlled storage—SM Warehouses plans to further expand its portfolio within the National Capital Region and nearby provinces by offering interested third parties build-to-suit structures using the company's extensive land bank.

SIGNED WORKSPACE (in sqm)

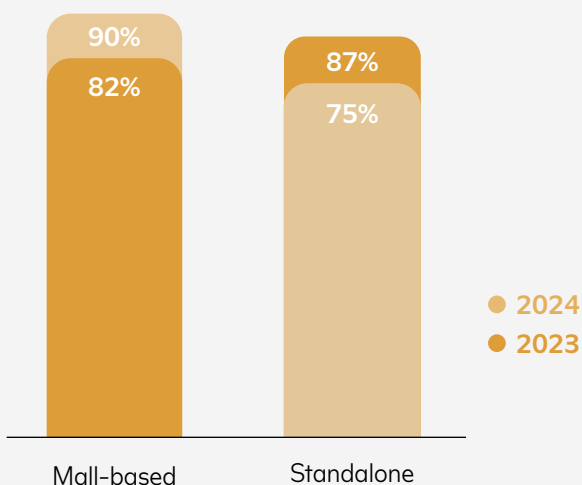
+9.7%



 **410,000**
2023

 **450,000**
2024

OCCUPANCY RATES





Mega Tower

INNOVATION IN DESIGN, SUSTAINABILITY IN EXECUTION

Rising 50 stories, Mega Tower is the tallest skyscraper in the Ortigas Central Business District and the SM Offices portfolio. Located along Epifanio de los Santos Avenue (EDSA), just a five-minute walk from the Metro Rail Transit Line 3, it offers unmatched accessibility and stunning views—from a golf course to the north, mountain ranges to the east, the sunrise over Laguna de Bay to the south, and Manila's iconic sunset to the west.

But beyond its height and vistas, Mega Tower is distinguished by its curvilinear architectural design and green, energy-efficient systems. Designed by Arquitectonica, Mega Tower won Best Office Architectural Design at the 2022 PropertyGuru Philippines Property Awards and Best Office Architectural Design (Asia) at the 2022

PropertyGuru Asia Property Awards Grand Final. In 2024, it was also recognized as the Best Office Development at both the Dot Property Southeast Asia Awards and the Dot Property Philippines Awards.

A LEED Gold-certified development, Mega Tower consumes 14% less energy and 30% less water, with a chilled water air-conditioning system and energy recovery wheel that enhance efficiency and sustainability.

With more than 90,000 sqm of premium leasable area, 29 high-speed elevators and a direct access to SM Megamall, Mega Tower offers an exceptional work experience, making it an ideal workplace for forward-thinking companies.





CORPORATE GOVERNANCE



CORPORATE GOVERNANCE, 54



ENTERPRISE RISK MANAGEMENT, 76



BOARD OF DIRECTORS, 86

CORPORATE GOVERNANCE

SM Prime remains steadfast in its commitment to best practices in corporate governance (CG). Good corporate governance is critical to the company's long-term goals and success as it provides a solid foundation for building SM Prime's reputation and preserving investors and stakeholders trust.

In 2024, the Board of Directors (Board) of the company approved amendments to SM Prime's Articles of Incorporation and By-Laws to align with the latest laws, regulations and corporate governance best practices. The amendments to the By-Laws were approved through delegated authority granted by shareholders to the Board of Directors and the amendments to the Articles of Incorporation were ratified by shareholders during the 2024 Annual Stockholders' Meeting.

The company's commitment to upholding excellence in corporate governance was reaffirmed in 2024 when it received the Five Golden Arrow Award, the highest corporate governance distinction conferred by the Institute of Corporate Directors.

Inspired by previous corporate governance awards and recognitions, SM Prime adopts policies and practices beyond the minimum requirements of applicable laws and regulations. Likewise, the company is dedicated to sustaining good corporate governance, which underscores its core principles of fairness, accountability and transparency. These principles constitute the foundation of SM Prime's CG Framework and are embodied in its governance structure, processes, operations and dealings with various stakeholders.

SM Prime's corporate governance policies and practices are outlined in its Manual on Corporate Governance

(MCG), Integrated Report, Board Committee Charters and Code of Business Conduct and Ethics.

As a publicly listed company (PLC) on The Philippine Stock Exchange (PSE), SM Prime complies with the relevant rules of the Securities and Exchange Commission (SEC), such as the Revised Corporation Code, the PSE's Listing and Disclosure Rules and other applicable regulatory requirements. The company continues to align and adopt policies and best practices based on the ASEAN Corporate Governance Scorecard (ACGS), which espouses international CG best practices.

Relevant information about SM Prime's business, disclosures, reports, press releases, corporate policies, sustainability and financial reports, stockholders' meetings and other key updates are readily available on the company's website, allowing stakeholders and regulators to review its performance in relation to service standards. Reports and information posted on the corporate website are ensured to be accurate and up to date.

SM Prime strives to create value at all times through its businesses, marked not only by product quality and service excellence but, more importantly, by a commitment to caring for its customers, communities and the environment to ensure sustainable growth and progress.



GOVERNANCE STRUCTURE

Board of Directors

The Board of Directors is the foundation of SM Prime's corporate governance practices, ensuring the achievement of the company's vision and mission while upholding its core values of hard work, innovation, integrity, teamwork and sustainability.

The Board is composed of eight (8) highly experienced members elected by shareholders during the Annual Stockholders' Meeting (ASM) and hold office for the ensuing year until the next meeting.

Board Governance

The Board of Directors, with the Chairperson as the highest governance body in the organization, is at the helm of its governance structure. The Board ensures high standards of best practices for the company, stockholders and stakeholders. Its duties and responsibilities include:

- Formulating the company's long-term vision and mission
- Establishing and overseeing the strategic framework and business objectives
- Ensuring an effective succession planning program for directors, key officers and management
- Aligning the remuneration of key officers and Board members with the company's long-term interests

- Maintaining a transparent Board nomination and election policy, disclosed in the Corporate Governance Manual
- Implementing a policy and system for related party transactions (RPTs) and other significant transactions
- Selecting and evaluating management and control functions
- Overseeing the performance management framework to ensure adherence to high standards
- Ensuring an effective internal control system and risk management framework
- Maintaining a publicly available Board Charter
- Disclosing any transactions related to Board members' holdings of SM Prime shares within three business days
- Overseeing the company's sustainability policies and ensuring alignment with economic, environmental, social and governance (EESG) best practices
- Ensuring the implementation of Anti-Money Laundering and Counter-Terrorism Financing strategies and programs
- Performing other responsibilities as mandated

Board Committees

The Board may create special committees of temporary or permanent nature and determine the members' term, composition, powers and responsibilities, as stated in the

company's By-Laws, Manual on Corporate Governance and Board Charter. These committees assist the Board in implementing best corporate governance practices, while ensuring sustainable growth, corporate value enhancement and strong returns for shareholders.

Board committees focus on key governance areas, including audit, risk management, related party transactions and corporate governance. Through these committees, the Board is of the opinion that the Group's internal control systems and risk management frameworks remain effective in addressing the company's key risks.

Each committee operates under a formal charter that outlines its composition, duties and oversight responsibilities in areas such as internal controls, risk management, sustainability, compliance and performance evaluation. These charters are reviewed and updated regularly to reflect corporate direction and new regulatory developments, including laws and SEC issuances. Each Board Committee Charter is publicly available on the company's website.

To enhance the efficiency of Board operations, the following committees have been established:

A. The Executive Committee

The Executive Committee assists the Board in:

- Overseeing the implementation of corporate strategies and long-term goals
- Reviewing and addressing major issues facing the organization
- Monitoring business group operations and defining performance improvement goals

Regular committee meetings are held at least once a month. In accordance with the Revised Manual on Corporate Governance, all Executive Committee actions are reported to the Board at the next Board meeting for review or modification as needed.

The Board, through the Executive Committee with the assistance of the Chief Finance Officer, reviews and approves SM Prime's tax strategy. This is regularly reviewed when new tax regulations are issued or existing regulations are amended.

SM Prime also has processes in place to monitor compliance with all government requirements and stays updated on regulatory developments in the real estate industry. The payment of taxes supports sustainable development and is an essential component of the company's sustainable development strategy.

MEMBERS

DESIGNATION

DIRECTORSHIP

Hans T. Sy

Chairperson

Non-Executive

Henry T. Sy, Jr.

Member

Non-Executive

Jeffrey C. Lim

Member

Executive

Herbert T. Sy

Member

Non-Executive

Elizabeth T. Sy

Member

Non-Director

John Nai Peng C. Ong

Member

Non-Director

B. The Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities to shareholders by ensuring the quality and integrity of the company's accounting, financial reporting, auditing practices, risk management and internal control systems and adherence to corporate governance best practices.

This committee also oversees the company's process for monitoring compliance with laws, regulations and the Code of Ethics, and performs other duties as required by the Board. The committee met four (4) times in 2024, with 100% attendance in all meetings.

MEMBERS	DESIGNATION	ATTENDANCE			
		2/19	5/6	8/5	11/11
Amando M. Tetangco, Jr. (ID)	Chairperson	√	√	√	√
Darlene Marie B. Berberabe (ID)	Member	√	√	√	√
J. Carlitos G. Cruz (ID)	Member	√	√	√	√
Jorge T. Mendiola (NED)	Member	√	√	√	√

C. The Board Risk Oversight Committee

The Board Risk Oversight Committee aids the Board in overseeing the company's Enterprise Risk Management system to ensure its functionality and effectiveness. This committee assists the Board in ensuring an effective and

integrated risk management process is in place. The committee held four (4) meetings in 2024, with 100% attendance in all meetings.

MEMBERS	DESIGNATION	ATTENDANCE			
		2/19	5/6	8/5	11/11
J. Carlitos G. Cruz (ID)	Chairperson	√	√	√	√
Amando M. Tetangco, Jr. (ID)	Member	√	√	√	√
Jorge T. Mendiola (NED)	Member	√	√	√	√

D. The Corporate Governance Committee

The Corporate Governance Committee assists the Board in performing its corporate governance and compliance responsibilities, including functions formerly assigned to the Nomination, and Compensation and Remuneration Committees. This committee also ensures the CG Framework aligns with local and international best practices by reviewing and recommending changes, improvements or enhancements to the company's policies, including the MCG. The committee believes that prudent and effective corporate governance practices form the foundation of the company's strength and long-term existence, enhancing and maximizing long-term shareholder value.

This committee is also responsible for the company's sustainability reporting, apprising the Board of significant sustainability-related concerns of SM Prime's stakeholders, and making appropriate recommendations regarding targets and strategies to improve the company's sustainability performance.

In 2024, the committee held four (4) meetings with 100% attendance.

MEMBERS	DESIGNATION	ATTENDANCE			
		2/19	5/6	8/5	11/11
Darlene Marie B. Berberabe (ID)	Chairperson	✓	✓	✓	✓
J. Carlitos G. Cruz (ID)	Member	✓	✓	✓	✓
Amando M. Tetangco, Jr. (ID)	Member	✓	✓	✓	✓

The Corporate Governance Committee also determines the number of directorships in publicly listed companies a

Board member may hold simultaneously with their SM Prime board seat.

DIRECTORSHIP IN OTHER REPORTING COMPANIES

DIRECTOR	NAME OF REPORTING COMPANY	NATURE OF DIRECTORSHIP
Henry T. Sy, Jr.	Synergy Grid & Development Phils., Inc. SM Investments Corporation	Chairperson Vice Chairperson
Amando M. Tetangco, Jr.	SM Investments Corporation Belle Corporation (<i>until May 2024 only</i>) Converge ICT Solutions, Inc. Shell Pilipinas Corporation	Chairperson Independent Director Independent Director Independent Director
J. Carlitos G. Cruz	Vivant Corporation SP New Energy Corporation (<i>until December 2023 only</i>)	Independent Director Independent Director
Hans T. Sy	China Banking Corporation SM Investments Corporation	Chairperson Adviser to the Board
Herbert T. Sy	China Banking Corporation SM Investments Corporation	Director Adviser to the Board
Jeffrey C. Lim	Concrete Aggregates Corporation	Director

E. The Related Party Transactions Committee

The Related Party Transactions Committee aids the Board in reviewing all material related party transactions (RPTs) of the company. This committee's mandate specifically includes evaluating RPTs to ensure they are undertaken on terms no less favorable to the company

than those offered to any unaffiliated third party under similar circumstances and overseeing the implementation and regular review of the related party transactions policy. The committee held one (1) meeting in 2024 with 100% attendance.

MEMBERS	DESIGNATION	ATTENDANCE
		2/19
Darlene Marie B. Berberabe (ID)	Chairperson	√
Amando M. Tetangco, Jr. (ID)	Member	√
Jorge T. Mendiola (NED)	Member	√

BOARD REMUNERATION

The Corporate Governance Committee ensures that the remuneration of directors and key officers is aligned with the long-term interests of the company, business policies and strategy. In line with the company's Code of Ethics, employee compensation and rewards are determined based on individual and company performance. The Board Remuneration Policy, adopted by the company, outlines the process for determining remuneration for executive directors and senior management.

Members of the Board receive a reasonable per diem for each regular or special Board meeting or Board Committee meeting attended. Total compensation paid to directors for their performance of duties and functions as members of the Board of Directors is disclosed annually in the Definitive Information Statement sent to shareholders. The total amount does not exceed 10% of the company's total income before tax during the preceding year, in accordance with SM Prime's By-Laws and relevant laws and regulations.

In line with SM Prime's Manual on Corporate Governance (MCG), no Board member shall participate in the determination or discussion of their own per diems or compensation.

The company's fixed remuneration for employees is subject to an annual merit increase, while its variable remuneration is performance-based and determined by individual and overall company performance. This structure is designed to improve retention, enhance performance in line with the company's long-term goals and safeguard its long-term health and viability.

BOARD PERFORMANCE AND EVALUATION

Board members participate in an annual self-assessment exercise to evaluate their individual and collective performance. This exercise allows each director to assess his/her performance, participation in discussions and involvement in decision-making in the boardroom, ensuring effective governance and identifying areas for improvement. The Corporate Governance Committee facilitates this self-assessment process.

Annually, the Corporate Governance Committee evaluates the performance of the Board as a whole, its respective Board Committees, individual Directors, the Chairperson of the Board, each committee, the President, and other key officers based on the duties and responsibilities outlined in SM Prime's Revised Manual on Corporate Governance and By-Laws.

This evaluation is conducted in the first quarter of each year for the previous year's performance. It also serves as an opportunity to identify areas for improvement in terms of training, continuing education programs or other forms of support that Directors may need in fulfilling their duties.

The evaluation process includes an assessment of the support services provided to the Board, such as the quality and timeliness of information, the frequency and conduct of regular, special or committee meetings and the accessibility of Management, the Corporate Secretary and Board advisers, among others.

Every three (3) years, this assessment is conducted with the support of an independent external facilitator in compliance with the SEC's Code of Corporate

Governance for Publicly Listed Companies. In 2022, the Institute of Corporate Directors (ICD) was engaged to conduct a Third party-led Board Evaluation for the Board's performance. The scope of the evaluation includes the Board's structure and composition, responsibilities and duties, board processes, dynamics and relationships, and corporate governance practices.

The following are the results of the evaluation conducted by ICD:

- SM Prime has a strong culture of compliance. Management ensures policies are properly deployed across the organization.
- The Board's structure is well-defined, and roles are observed in practice.
- Discussions are open at both the committee and board levels. Management executives actively engage in Board meetings.
- The Board values good governance and sustainability, which serve as the foundation for each report, policy and program.

The results of the assessment, including recommendations, were presented to the Board by the Corporate Governance (CG) Committee during the 2nd Quarter Meeting. Subsequently, the Board noted the results and ICD's recommendations. The Board, through the CG Committee, monitored the progress of these recommendations and improved its performance to further strengthen its function.

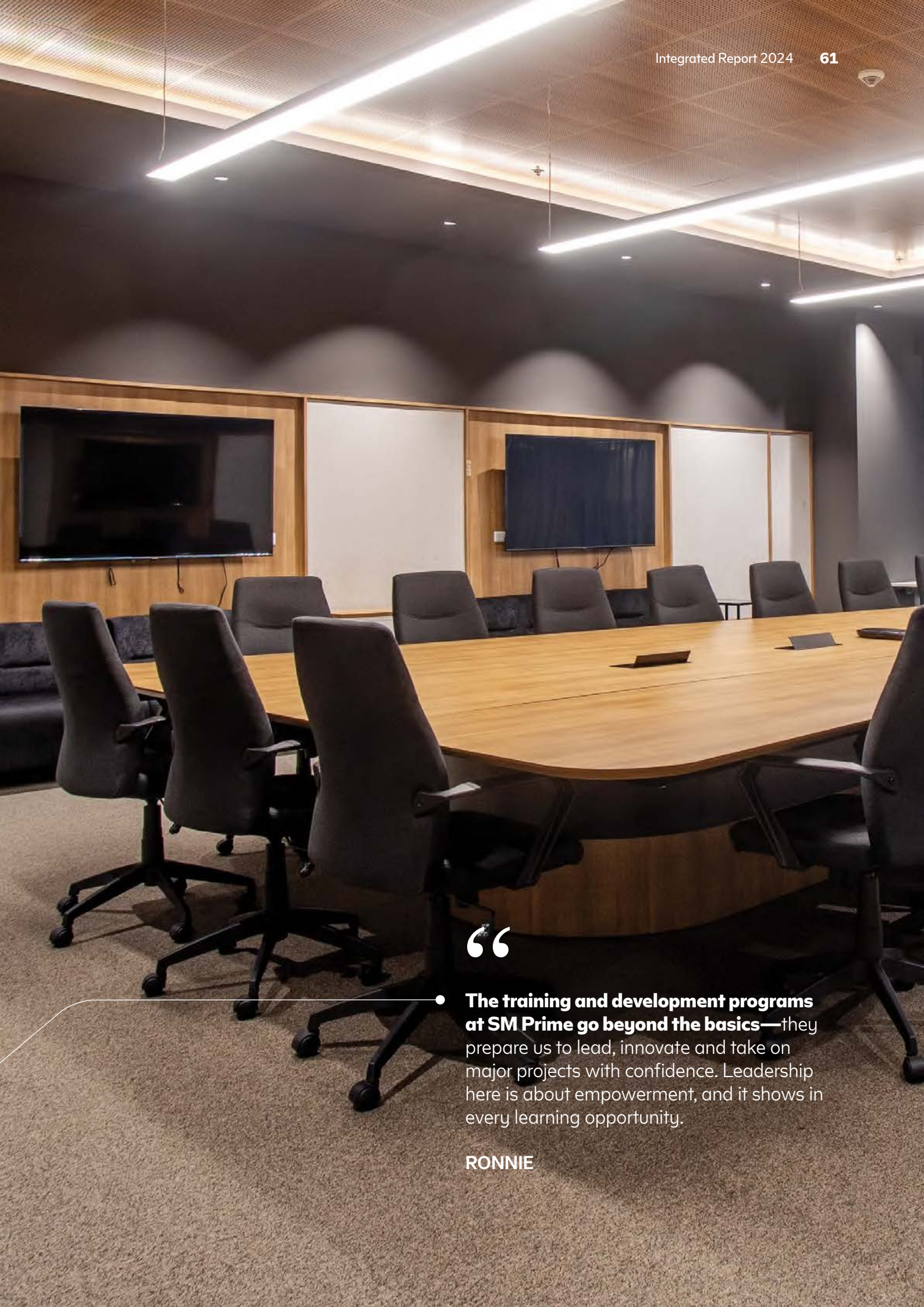
BOARD MEETINGS AND ATTENDANCE

Regular board meetings are held quarterly and scheduled in advance before the start of the year. Special meetings may be called as needed. In accordance with CG best practices and the Company's Manual on Corporate Governance (MCG), the Board receives board materials and documents containing matters to be discussed at least five (5) working days before the scheduled meeting.

The Board of Directors held nine (9) meetings in 2024 on the following dates: February 1, February 19, April 23 (3), May 6, August 5, November 11 and December 9. All meetings recorded 100% attendance of Board members, ensuring compliance with the SEC's attendance requirement.

TRAINING AND CONTINUING EDUCATION PROGRAM

In accordance with the provision of the MCG and Charter of the Board, to support the Board in its roles, a comprehensive 8-hour orientation program is given for new directors and 4-hour continuing training annually for existing directors, which includes an understanding of the contributions the director is expected to make, an explanation of the Board and its committees, the company's business, corporate governance and other matters. The Board, together with other key officers of SM Group, actively attends several training programs annually to stay-up-to-date with new laws and regulations, updates in CG standards and relevant market trends that can affect the company's business, CG matters, sustainability, among others.



“

- **The training and development programs at SM Prime go beyond the basics**—they prepare us to lead, innovate and take on major projects with confidence. Leadership here is about empowerment, and it shows in every learning opportunity.

RONNIE

TRAINING TITLES, PROVIDER AND TOPICS

July 26, 2024

2024 CORPORATE GOVERNANCE SEMINAR

BDO Unibank, Inc.

Updated Retail Banking Trends with Generative AI
The Evolving Cyber Threat Landscape: Current and Future Impact on BDO
and Navigating the Risk
Managing Cyber Risk – Directors Cyber Awareness Briefing

August 7, 2024

ADVANCED CORPORATE GOVERNANCE TRAINING

China Bank Corporation/Institute of Corporate Directors

Artificial Intelligence (AI) Governance and Use Cases
Anti-Money Laundering Act Updates

August 27, 2024

2024 CORPORATE GOVERNANCE SEMINAR

SM Investments Corporation/Institute of Corporate Directors

Global Economic and Geopolitical Outlook
AI Series/Talks: Artificial Intelligence, Future of Technology
Cybersecurity

October 3, 2024

ANTI-MONEY LAUNDERING (AML) AND COUNTER TERRORIST AND PROLIFERATION FINANCING REFRESHER TRAINING

SGV & Co.

Legislative Context & Regulatory History
Current State of the Philippines
Current AML/CTPF Risks & Regulations
Case Study and Typologies
Technology and Compliance as a Strategic Advantage
Strategic Oversight and Closing

**November 21,
2024**

ADVANCED CORPORATE GOVERNANCE TRAINING

Institute of Corporate Directors

Artificial Intelligence (AI) for Leaders - Executive Session

DIRECTORS

Henry T. Sy, Jr.	Amando M. Tetangco, Jr.	Darlene Marie B. Berberabe	J. Carlitos G. Cruz	Hans T. Sy	Herbert T. Sy	Jorge T. Mendiola	Jeffrey C. Lim
Chairperson/ Non-Executive Director	Vice Chairperson/ Lead Independent Director	Independent Director	Independent Director	Non-Executive Director	Non-Executive Director	Non-Executive Director	Executive Director
✓				✓	✓		✓
	✓	✓	✓			✓	
✓	✓	✓	✓			✓	✓
		✓	✓	✓			✓

TRAINING TITLES, PROVIDER AND TOPICS

July 26, 2024

2024 CORPORATE GOVERNANCE SEMINAR

BDO Unibank, Inc.

Updated Retail Banking Trends with Generative AI
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Cybersecurity

October 3, 2024

ANTI-MONEY LAUNDERING (AML) AND COUNTER TERRORIST AND PROLIFERATION FINANCING REFRESHER TRAINING

SGV & Co.

Legislative Context & Regulatory History
Current State of the Philippines
Current AML/CTPF Risks & Regulations
Case Study and Typologies
Technology and Compliance as a Strategic Advantage
Strategic Oversight and Closing

**November 21,
2024**

ADVANCED CORPORATE GOVERNANCE TRAINING

Institute of Corporate Directors

Artificial Intelligence (AI) for Leaders - Executive Session

ADVISERS TO THE BOARD AND KEY OFFICERS

Teresita Sy-Coson	Elizabeth T. Sy	Edward K. Lee	John Nai Peng C. Ong	Marvin Perrin L. Pe	Joanna B. Tiangco	Elmer B. Serrano	Arthur A. Sy
Board Advisor	Board Advisor	Independent Board Advisor	Chief Finance Officer, Chief Compliance Officer and Corporate Information Officer	Chief Audit Executive	Chief Risk Officer	Corporate Secretary and Alternate Compliance Officer	Assistant Corporate Secretary and Alternate Corporate Information Officer
✓	✓						
			✓				
		✓		✓	✓	✓	✓
			✓	✓	✓		✓
		✓	✓	✓	✓		

BOARD SUPPORT

All members of the Board have direct and independent access to the Corporate Secretary, the Compliance Officer and Management. Their qualifications, duties and responsibilities are stated in the Manual on Corporate Governance (MCG). The company ensures that the Board, including key officers, regularly attends the annual corporate governance training.

MANAGEMENT

President

The President is responsible for the minimum internal control mechanisms of Management's operations and is accountable for the company's organizational and procedural controls. The President reports directly to the Board and provides the Board with timely information and an interface between the Board and employees. The President is also responsible for overseeing the company's operations and managing human and financial resources in accordance with the strategic plan. The President is the only Executive Director of the company and is assisted by Senior Management, including heads of various business units.

Corporate Secretary

The Board is assisted by a Corporate Secretary, who is not a member of the Board of Directors and is separate from the Chief Compliance Officer, ensuring the effective discharge of duties and responsibilities. The Corporate Secretary assists the Chairs of the Board and its committees in preparing the agenda for Board meetings, notifies the Board before every meeting and supports the Board in making business judgments in good faith.

The Corporate Secretary gathers and analyzes documents, records and other information, including updates and changes to relevant rules, laws and regulations, and keeps the Board informed of matters essential to the conduct of their duties and responsibilities. The Corporate Secretary's functions are stated in the company's By-Laws and MCG.

Chief Compliance Officer

The Chief Compliance Officer (CCO), who is also not a member of the Board, ensures that the organization adheres to corporate principles and best practices. The CCO monitors, reviews, evaluates and ensures the compliance of the corporation, its officers and directors with relevant laws, the company's MCG, rules, regulations and all governance issuances of regulatory agencies.

The Board, through the Chief Compliance Officer, reviews business units' strategies and targets and monitors their progress toward achieving the company's strategic objectives.

Chief Audit Executive

The Chief Audit Executive (CAE), appointed by the Board, oversees and is responsible for the internal audit activity of the organization. The CAE establishes a risk-based internal audit plan, including policies and procedures, to determine audit priorities consistent with the organization's goals. The CAE periodically reports to the Audit Committee on internal audit performance.

Chief Risk Officer

The Chief Risk Officer (CRO) serves as the ultimate champion of Enterprise Risk Management (ERM) and leads its development, implementation, maintenance and continuous improvement. The CRO, in collaboration with Management, updates, makes recommendations and reports to the Risk Oversight Committee, Corporate Governance Committee and Related Party Transactions Committee.

BOARD DIVERSITY

As part of SM Prime's CG best practices, the Board has adopted a Board Diversity Policy to create and maintain an atmosphere of constructive challenge and debate, requiring a balance of skills, competence, experience and perspectives among Directors. Other factors considered include diversity in business experience, competencies, knowledge, skills, age, ethnicity and gender.

The Corporate Governance Committee affirms that the Board has the proper mix needed to effectively perform its responsibilities and uses a Board Matrix to monitor progress in achieving diversity objectives.

The measurable diversity objectives of the Board are as follows:

1. At least one (1) female independent director
2. At least 50% of Board members must have backgrounds or experience in:
 - a) Real Estate or Engineering
 - b) Business Administration or Management
 - c) Finance or Accounting

SM Prime has one (1) female Independent Director on the Board, and the company's Executive Director does not serve on any publicly listed company's board in the same capacity. The diversity objectives, as well as the attributes, expertise and affiliation stated in the Board Matrix, are well represented by the current Board of Directors.

BOARD COMPOSITION

Director's Name	Directorship	Age	Date First Elected	No. Years as Director	Expertise
Amando M. Tetangco, Jr.	Lead Independent	72	April 2021	4	Accounting, Audit and Control, AMLA, Banking, Corporate Governance, Economics, Finance, Healthcare, Transport and Logistics, Public Policy
J. Carlitos G. Cruz	Independent	64	April 2021	4	Accounting, Audit and Control, Banking, Energy, Finance, Risk Management, Tax
Darlene Marie B. Berberabe	Independent	56	April 2021	4	Corporate Governance, Education, Energy, Finance, Investment Banking, Labor, Law, Treasury, Real Estate
Henry T. Sy, Jr.	Non-Executive	71	April 1994	31	Real Estate, Sales, Marketing, Energy
Hans T. Sy	Non-Executive	69	April 1994	31	Real Estate, Banking, Engineering, Education
Herbert T. Sy	Non-Executive	68	April 1994	31	Real Estate, Banking, Operations, Retail
Jorge T. Mendiola	Non-Executive	65	December 2012	12	Real Estate, Operations, Retail
Jeffrey C. Lim	Executive	63	April 2016	9	Real Estate, Operations, Accounting

BOARD INDEPENDENCE

SM Prime's Board is composed of a majority of Non-Executive Directors (NED) and Independent Directors. The company has three (3) Independent Directors who possess all the necessary qualifications and none of the disqualifications to hold the position, along with four (4) Non-Executive Directors out of its eight (8) Board members. The Board appointed a Lead Independent Director to act as an intermediary between the Chairperson and other directors when necessary.

Mr. Amando M. Tetangco, Jr. serves as the Board's Lead Independent Director and Vice Chairperson to reinforce proper mechanisms for disclosure, protection of shareholder rights, equitable treatment of shareholders and Board and Management accountability in cases where Management has clear conflicts of interest. Directors with a material interest in any transaction with the company are expected to abstain from deliberations on the matter. No Independent Director has served for more than nine (9) years.

Non-Executive Directors of SM Prime meet with the External Auditor at least once annually without the presence of any management personnel or executives to verify that the external auditor had sufficient access to records and information for the audit of financial statements and to discuss issues raised by the audit

team. For 2024, the NED meeting was conducted on December 9, 2024.

NOMINATION AND ELECTION OF BOARD OF DIRECTORS

In accordance with SM Prime's By-Laws, MCG and company policies, any stockholder, including minority stockholders, may recommend or nominate a candidate for Board membership for consideration by the Corporate Governance Committee. Recommendations are sent to the committee through the Office of the Corporate Secretary. The committee then prepares the final list of candidates after reviewing qualifications and disqualifications based on corporate policies.

The Corporate Governance Committee may engage professional search firms or use other external sources to identify candidates. Furthermore, in line with SM Prime's Board Diversity Policy, no director or nominee shall be discriminated against based on age, ethnicity, culture, skills, competence, knowledge or gender.

The profiles of the nominated directors are provided in the Definitive Information Statement (DIS) or SEC Form 20-IS, which is distributed to shareholders and posted on the Company's website at least 28 days before the annual stockholders' meeting.

CORPORATE GOVERNANCE-RELATED POLICIES

Manual on Corporate Governance

On November 7, 2022, the company's Board approved amendments to the Manual on Corporate Governance, incorporating relevant sections of the Revised Corporation Code and various SEC issuances. The amendments cover Board and committee duties and responsibilities, permanent disqualifications of directors, external auditor rotation and shareholder rights.

These updates institutionalize good corporate governance by clearly defining the roles and responsibilities of the Board and Management, promoting disclosure and transparency, strengthening internal controls and risk management and fostering productive relationships with stakeholders.

All directors, officers and employees must comply with the provisions of the Revised Manual on Corporate Governance. The Compliance Officer is responsible for monitoring compliance and imposing penalties for noncompliance. As of this report, the company is fully compliant with the Manual and no deviation with the SEC's Code of Corporate Governance.

Code of Ethics

As outlined in SM Prime's Code of Ethics, the company's directors, officers and employees are committed to conducting business in accordance with the long-held values and ethical standards that have contributed to SM Prime's success. The Code of Ethics defines principles guiding directors, officers and employees in their duties, including interactions with investors, creditors, customers, contractors, suppliers, regulators and the general public.

SM Prime adheres to all applicable laws and regulations, including those related to financial reporting, fair trade and competition, environmental protection, data privacy, insider trading, non-discrimination, conflict of interest and corporate social responsibility.

ASEAN Corporate Governance Scorecard

To uphold its commitment to good corporate governance, SM Prime follows corporate governance practices aligned with the ASEAN Corporate Governance Scorecard (ACGS), incorporating principles set by the Organization for Economic Cooperation and Development (OECD).

The Institute of Corporate Directors, Inc. (ICD) and its ASEAN counterparts conduct their respective ACGS assessments, measuring performance in areas such as:

- Facilitating the rights and the equitable treatment of shareholders and different stakeholders;
- Ensuring transparency and accountability through timely disclosure of material information; and

- Board oversight of strategic direction, management monitoring and accountability of the Board to the company and the shareholders.

Integrated Annual Corporate Governance Report

The Integrated Annual Corporate Governance Report (I-ACGR) highlights SM Prime's corporate governance practices, policies and programs and provides detailed information on the Board of Directors and Management.

The report includes compliance with recommendations from the SEC's CG Code for Publicly Listed Companies (PLCs), PSE CG Guidelines for Listed Companies and best practices under the ASEAN Corporate Governance Scorecard. It is submitted annually to the SEC and is available on the Company's website and PSE EDGE (<https://edge.pse.com.ph/>).

Governance Policies and Practices

To complement the principles outlined in the Revised Manual on Corporate Governance and Code of Ethics, SM Prime has developed various policies and programs to ensure proper implementation in key areas.

These policies serve as a guide for matters involving the company's directors, officers and employees, including work performance, transactions with investors, creditors and dealings with employees, among others. SM Prime's policy commitments include various procedures and preventive measures to address concerns and incidents.

All directors, officers and employees are expected to abide by the company's Code of Ethics and its policies. For the year 2024, there were no reported incidents of non-compliance with the Conflict of Interest Policy.

POLICY/PRACTICE	BRIEF DESCRIPTION
Insider Trading Policy	<p>Directors, officers and employees are prohibited from trading SM Prime shares, five trading days before and two trading days after the disclosure of any material, stock price-sensitive information. SM Prime issues reminders of the trading ban to SM Prime Property Group including its directors, key officers and covered persons, before the release of financial reports or the disclosure of other material information to ensure compliance with the policy. Trading done by directors and officers are also reported within three business days of the transaction.</p>
Related Party Transactions (RPT)	<p>Full disclosure of the details, nature, extent and all other material information on transactions with related parties in the company's financial statements and quarterly and annual reports to the SEC and PSE shall be observed at all times. Details of material related party transactions entered into by the company are required to be reviewed by the Related Party Transactions Committee in accordance with the RPT Policy, to ensure these are conducted at arm's length. RPT Policy also adheres to the SEC Memorandum Circular on Rules on Material Related Party Transactions.</p>
Conflict of Interest	<p>All directors and employees are prohibited from engaging in transactions that result in conflicts of interest and are mandated to promptly disclose actual or perceived conflicts of interest, such as acceptance of gifts and entertainment, interest in businesses of suppliers, competitors or customers, participation in other organizations or activities, and close personal relationships in the company or its affiliates and subsidiaries.</p> <p>Based on the company's MCG, a director with a material interest in any transaction affecting the corporation shall abstain from taking part in the deliberations of the same. The Lead Independent Director's role is to provide leadership to the independent directors and advise the Board on matters where there may be an actual or perceived conflict of interest.</p>
Acceptance of Gifts and Travel Sponsored by Business Partners (Anti-Corruption Policy)	<p>SM Prime prohibits the solicitation or acceptance of gifts and travel in any form from a business partner, directly or indirectly, by any director, officer or employee of the company. The policy is intended to ensure integrity in procurement practices and the selection of the most appropriate business partner in each instance. The company prohibits any form of bribery and corruption and advocates directors, officers and employees not to tolerate these dealings, whether direct or indirect.</p>

POLICY/PRACTICE**BRIEF DESCRIPTION****Policy on Accountability, Integrity and Vigilance (Whistleblowing Policy)**

This aims to create an environment where concerns and issues, made in good faith, may be raised freely within the organization. Any director, officer, employee, customer, shareholder, vendor, supplier and other stakeholders may accomplish an incident report on suspected or actual violations of the Code of Ethics, the Company's Code of Conduct or any other applicable policy, law or regulation. The policy provides for a conduct of investigation of the incident report. The policy also includes provisions for non-retaliation against the filer of the incident report. Upon receipt of such report, Management conducts an investigation on its merit, subject to due process, and impose applicable penalties and sanctions thereafter.

Creditors' Rights

SM Prime shall respect agreements with creditors, manage loans according to lending objectives, ensure timely repayment of loans and interests, thoroughly honor loan conditions as agreed, and competently operate the business to assure creditors about the company's healthy financial standing and loan repayment capabilities.

Supplier Selection

SM Prime adheres to the principles of healthy competition, equal opportunity and fair treatment of business partners. As such, the selection of suppliers follows an open, competitive and non-discriminatory process. SM Prime implements a vendor enrolment process that screens qualifications of vendors/suppliers the company will deal with. Such qualifications include legality of entity or business, adequacy of financial strength, compliance with SM Prime policies such as conflict of interest disclosure requirements and ethical standards, and support to SM Prime's environmental missions, health and safety culture.

Guidelines on Placement of Advertisements

This prohibits the placement of advertisements in publications that solicit for such ad placement prior to the release of the official results of an awarding process conducted by the publication and where SM Prime or any of its subsidiaries, director, officer or employee is one of the nominees vying for the award. The company may consider placing advertisements in such publications as part of its overall marketing strategy, but only after the release of the results of the awarding process and where it will not create reasonable doubt that such ad placement influenced in any way an award given to the company or to any of its subsidiaries, director, officer or employee.

Alternative Dispute Resolution System

The company establishes an alternative dispute resolution system to settle intra-corporate disputes in an amicable and effective manner. As such, the Board of Directors normally engages the services of a neutral third party to assist in the resolution of issues between the company and stockholders, third parties and regulatory authorities. The alternative dispute resolution system may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof, as the company and the circumstances see fit.

POLICY/PRACTICE	BRIEF DESCRIPTION
Data Privacy	SM Prime collects, uses, protects or otherwise handles data subjects' personal data in accordance with Republic Act No. 10173, or the Data Privacy Act of 2012, and its Implementing Rules and Regulations and other issuances. A Board-appointed Data Protection Officer is tasked to oversee data privacy compliance and manage data protection risks consistent with applicable rules, regulations and issuances of the National Privacy Commission.
Non-Executive Directors' Meeting with External Auditor	Non-Executive directors shall have separate periodic meetings with the external auditor, and heads of internal audit, compliance, and risk management, without the presence of executive directors to ensure proper checks and balances are in place.
Notification of Directorship Prior Acceptance	SM Prime requires all directors to exercise due discretion in accepting and holding directorships outside of the company. As such, directors are required to notify the Board, through the Corporate Secretary, immediately upon receipt of invitation or nomination from a publicly listed company.
Third-Party Facilitated Board Evaluation	In line with the Company's efforts to improve Board performance and practice of good Corporate Governance principles, the Board is subject to an annual evaluation and facilitated by a third party every three years. This practice aims to address areas of improvement and monitoring of progress of recommendations.
Sustainability Reporting	The company espouses disclosure of material and reportable non-financial and sustainability matters, using a globally-recognized framework and in accordance with SEC rules. The report emphasizes the management of economic, environmental, social and governance issues of the business.
Succession Planning Policy	The policy provides for an effective Succession Planning program that addresses human resource requirements for mission critical positions, provides value to the company's employee development efforts and ensures stability and continuity of the company mission and goals through smooth organizational and operational transitioning.

COMMUNICATION AND COMPLIANCE

SM Prime understands that the continuous growth and development of a corporate governance culture relies on promoting awareness of the principles of good governance. As such, the company continues to strengthen its training and orientation programs.

Through the Human Resource Department's (HRD) orientation program, new employees are given an overview of SM Prime's Corporate Governance Framework, Code of Ethics and related policies, which are also accessible through an internal portal for employees' easy reference.

The program also emphasizes the importance of ethics in business, informs employees of their rights and obligations and promotes best practices in fostering good work ethics. In line with this, the HRD requires all employees to complete the three-part Corporate Governance course annually, which includes the following:

- Confirmation – Employees confirm that they have read, understood and agree to comply with the Company's Code of Ethics, Code of Conduct and Matrix of Violations, Insider Trading Policy, Conflict of Interest and Handling Policies and Guidelines on Acceptance of Gifts and Travel Sponsored by Business Partners (Anti-Corruption Policy), Information Security Guidelines, among others.
- Handling Conflict of Interest Situations (E-Learning Course) – Employees familiarize themselves with the proper handling of actual or perceived conflict of interest situations.
- Disclosure Survey – Employees disclose their affiliations, interests, relationships and transactions relevant to the full disclosure of all actual, apparent or potential conflicts of interest.

The company's security personnel, including third-party security partners, undergo a 10-day training program covering topics on laws relevant to upholding human rights, including but not limited to:

- Legal aspects of the law on arrest, search and seizures (Revised Penal Code and Philippine Constitution)
- Law on handling Children in Conflict with the Law
- R.A. 9262: Anti-Violence Against Women and Their Children Act of 2004
- R.A. 11313: Safe Spaces Act

SM Prime remains committed to sustainable and responsible business practices across all stages of its operations, its policies and compliance with applicable laws and regulations.

There is no administrative case charging SM Prime for anti-competitive behavior, or for violation of anti-trust and monopoly laws. However, the company and certain business units are parties to lawsuits or claims that arise in the ordinary course of business. These lawsuits and claims are not substantial and have no material impact on the company's business, operations or financial condition.

DISCLOSURE AND TRANSPARENCY

SM Prime remains committed to providing its stockholders and the public with high standards of timely and accurate disclosures. The company ensures that its corporate disclosures are complete, accurate and submitted to regulators in a timely manner.

Information posted on the company's website is regularly reviewed to ensure accuracy and is kept up to date. The website has a separate Corporate Governance section that features the Revised Manual on Corporate Governance, Annual Corporate Governance Report and Scorecard, Code of Ethics and other relevant policies, programs and important information.

The company reports its quarterly and full-year financial results through the SEC, PSE and PDEX to provide shareholders, investors and the public with a balanced and well-informed assessment of its performance, position and prospects.

SM Prime recognizes its continuing disclosure obligations under the PSE Listing and Disclosure Rules and the SEC's Securities Regulation Code.

Moreover, in line with SM Prime's strong advocacy for good corporate governance, the company values regular communication with its investors. The Investor Relations Department is responsible for a proactive, uniform and transparent communication program through full disclosure in compliance with regulatory bodies. It serves as the primary communication channel between the company and its various stakeholders. Likewise, the Investor Relations Team conducts regular briefings and meetings with investors, analysts and the press to keep them updated on the company's projects, financial performance and operational results. The presentation materials used in these briefings, as well as the company's SEC and PSE reports, may be viewed and downloaded from the company website.

TRANSACTIONS OF DIRECTORS AND OFFICERS

SM Prime submits timely disclosures on the beneficial ownership of its directors and key officers to the SEC and PSE using SEC Form 23-B Statement of Changes in Beneficial Ownership of Securities, which is subsequently uploaded to the company website.

The company's Insider Trading Policy requires both directors and key officers to notify and report to the Compliance Officer all dealings in SMPH shares within three (3) business days from the date of trading. Further, all directors and key officers are required to certify annually that they have not violated the said policy.

THE ANNUAL STOCKHOLDERS' MEETING

The Annual Stockholders' Meeting (ASM) provides stockholders with the opportunity to raise concerns, give suggestions and vote on relevant issues. Voting methods are clearly defined and explained to stockholders before the ASM to ensure the observance of their voting rights and continued participation in the voting process. Stockholders are also entitled to cumulative voting in the election of the Board of Directors, as provided under Section 23 of the Revised Corporation Code.

The Annual Stockholders' Meeting on April 23, 2024, was conducted physically and broadcast via livestreaming, accessible to registered stockholders. The Board of Directors adopted resolutions allowing stockholders to participate in the ASM via remote communication and to exercise their right to vote *in absentia*. SM Prime maintains a secure online voting facility where registered stockholders can cast their votes in real time, allowing shareholders unable to attend physically to participate and vote.

The notice of meeting, along with other important information, was distributed through an alternative mode by publication in two (2) newspapers of general circulation in both print and online formats on March 18 and 19, 2024, providing sufficient and relevant information to encourage active stockholder participation.

The minutes of the ASM were posted on the company's website within 24 hours after the meeting's adjournment. These minutes include the matters discussed, resolutions reached, shareholder questions and corresponding responses, among others. To ensure that all stockholders' concerns are properly addressed, the Chairperson of the Board, Board of Directors, President, Board Committee Chairpersons and Members, Management, Corporate Secretary, Compliance Officer, Internal Auditor and External Auditors are present during the ASM.

RIGHTS, ROLES AND PROTECTION OF STAKEHOLDERS

The Revised Manual on Corporate Governance asserts stockholder rights and the protection of minority interests. It is the Board of Directors' duty to promote stockholder rights, remove impediments to the exercise of these rights and provide mechanisms for redress in cases of violations.

Rights of Shareholders

Voting Right. All stockholders are entitled to one (1) share, one (1) vote, except in the election of directors, where the cumulative voting system is followed. Stockholders, whether individual or institutional, are encouraged to personally attend the ASM to exercise their voting rights, allowing them to elect Board candidates and vote on matters requiring stockholder approval. Proxy voting is permitted and facilitated through proxy forms available on the company's website and distributed with the Notice of Meeting.

As authorized by the Board, stockholders may also vote through remote communication or *in absentia*. The company ensures that guidelines for participation and procedures for *in absentia* voting are clearly defined.

Right of Inspection. All stockholders have the right to inspect corporate books and records, including but not limited to minutes of Board meetings and stock registries, during reasonable hours on business days in accordance with the Revised Corporation Code of the Philippines. They are also entitled to receive copies of the company's Annual Report and financial statements at no cost or restriction.

Right to Information. Stockholders may request the company to provide periodic reports on its directors and officers, as well as matters for which Management is accountable. Minority shareholders may propose the holding of meetings or request the inclusion of items in the agenda, provided these are for legitimate business purposes and comply with legal and regulatory standards.

Right to Dividends. All stockholders have the right to receive dividends. The company follows a guideline of providing a sustainable dividend stream to shareholders. The Board determines the dividend payout considering operating results, cash flows, capital investment needs and debt servicing requirements. Dividends are paid within 30 days from the date of declaration.

Appraisal Right. Under Section 80 of the Revised Corporation Code of the Philippines, shareholders may exercise their appraisal right, which allows them to dissent

and demand payment of the fair value of their shares. Procedures for exercising this right are detailed in the Definitive Information Statement.

Employee Welfare

All officers and employees are selected, engaged and compensated based on their qualifications and performance. Employees are treated fairly and with respect and dignity. SM Prime ensures that individual and collective rights are upheld and provides a safe, productive and conducive workplace, complying with all applicable health, safety and environmental laws to protect employees' well-being.

Opportunities for career advancement are based on clear performance and qualification criteria, ensuring equal opportunity for employees to develop and achieve their full potential.

Business Continuity

SM Prime ensures that risk management and control structures are in place to protect its workforce, operations and customers from emergencies and disasters. The Business Continuity Management System (BCMS) provides a framework for identifying potential business threats, assessing their impact and implementing appropriate controls.

The BCMS aims to protect the company's reputation, commitments and critical business functions by ensuring continuity with greater speed, skill and confidence.

Training and Employee Development

Employees are provided with a wide range of learning and development opportunities designed to align with the company's business objectives. These programs enhance employees' skills and capabilities, preparing them for higher responsibilities and leadership roles within the organization.

The training framework includes programs on:

- Professional growth
- Soft skills development
- Leadership training
- Functional skills enhancement
- Compliance, Code of Ethics and Conflict of Interest policies

For any governance-related issues or concerns, stakeholders may refer to:

Ms. Joana B. Tiangco

Assistant Vice President – Enterprise Risk Management and Corporate Governance

7/F MOA Square, Seashell Lane corner Coral Way
Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A, 1300
Pasay City, Metro Manila, Philippines

E: corpgovernance@smprime.com

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It's an exciting time to be part of SM as it modernizes and institutionalizes, with a bright future in sustainable growth and new markets.

Being in a leadership role, I tell my younger female teammates to love what you do, stay curious, and trust that your contributions make a difference.

NICA

ENTERPRISE RISK MANAGEMENT

SM Prime operates in a dynamic landscape. As the company continues to grow, the array of threats and risks it faces also evolves. Thus, it recognizes that an effective risk management plays a crucial role in balancing the risks and rewards of its business undertakings.

Risk management at SM Prime goes beyond minimizing negative impacts. It also focuses on enabling informed decision-making and creating opportunities for sustainable growth. The company believes that by systematically identifying and managing risks, it can better navigate uncertainties and capitalize on opportunities.

RISK MANAGEMENT STRUCTURE

SM Prime's risk governance structure is built on the principle of shared responsibility. It ensures that risk management is embedded at all levels and that roles and responsibilities are clearly defined.

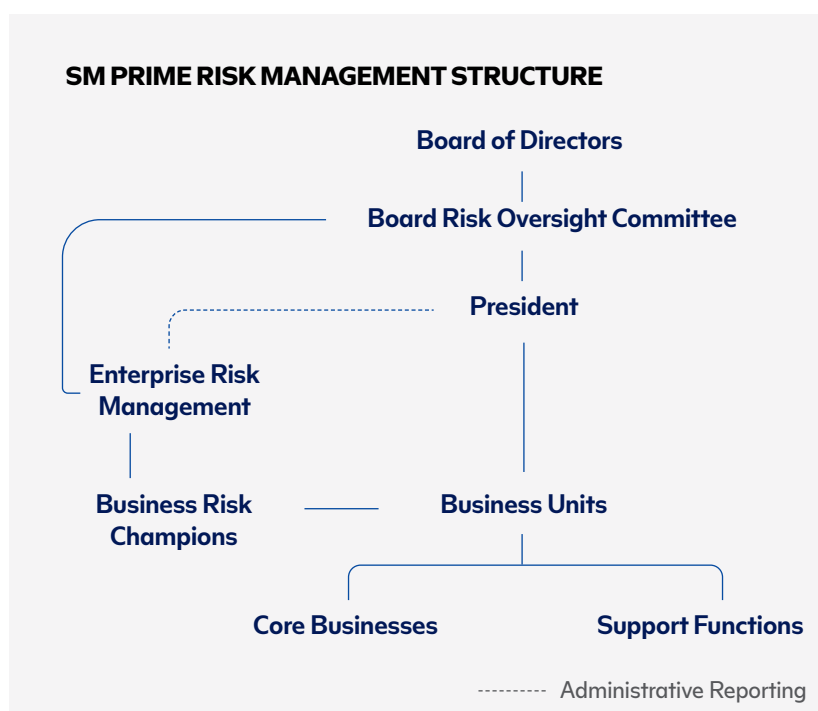
The Board Risk Oversight Committee (ROC) is at the helm of the structure. ROC establishes the “tone at the top” and provides active oversight over the enterprise risk management system and on matters relating to risk strategy, policies and governance.

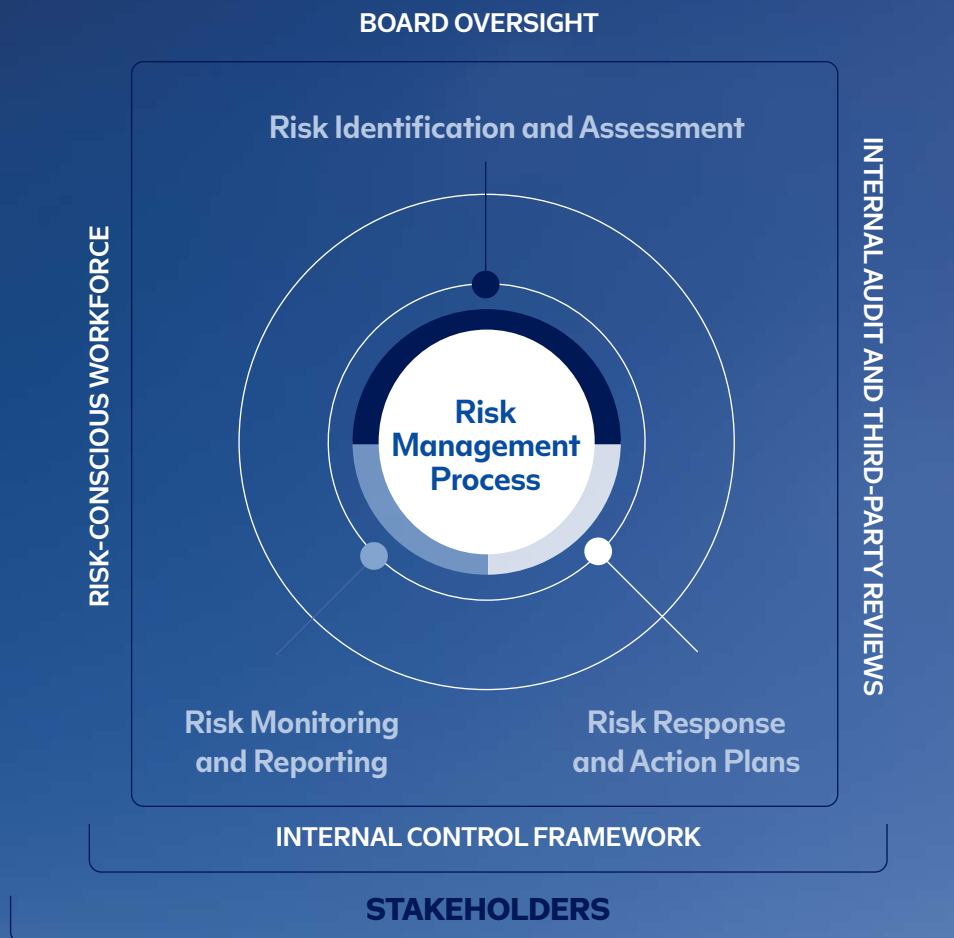
The Enterprise Risk Management (ERM) Unit champions the company's risk management initiatives, ensuring risk management process is consistently implemented at enterprise and business unit levels. Its key responsibilities include developing risk policies, providing risk advisories and consultations, conducting ERM-related training, establishing active communication to boost risk awareness, as well as monitoring and reporting key risks.

Business Risk Champions (BRCs) work closely with the ERM team to support

the implementation of risk management programs and initiatives. BRCs are empowered and trained to help their respective units identify and manage risks. They act as the liaison between the ERM Unit and their respective Business Units so that risk-related information flows smoothly and that risk responses are aligned with the overall risk strategy.

The Business Unit's frontliners and process owners serve as the first line of defense in risk management. Their primary responsibility is to ensure that risks are properly managed as they execute daily operations and engage in risk-taking activities.



ENTERPRISE RISK MANAGEMENT FRAMEWORK

ENTERPRISE RISK MANAGEMENT FRAMEWORK

SM Prime understands the importance of a solid foundation in managing risks. Its Enterprise Risk Management Framework encompasses key elements that support the company's strategic goals while ensuring alignment with its overall mission and vision. These elements include active oversight by the Board, comprehensive independent audits and third-party reviews, a robust internal control framework, a risk-conscious workforce, and—at its core—an effective risk management process.

BOARD OVERSIGHT

Strong risk governance drives the successful implementation of an ERM Framework, with the Board, through its Risk Oversight Committee, playing a key role in the process. The ROC exercises active oversight over the enterprise risk management system, including programs and activities designed to support the Framework's implementation.

ROC receives regular updates on the status of risk management initiatives and approves related policies, procedures and strategies. The committee is also engaged in proactively managing emerging risks by being constantly informed of the key risks facing the business and the action plans developed to address them. Supporting the ROC is the Chief Risk Officer (CRO), head of ERM, who is primarily responsible for executing the ERM program.

RISK-CONSCIOUS WORKFORCE

SM Prime is committed to cultivating a risk-conscious workforce. Ensuring that every employee understands his/her role in identifying, assessing and mitigating risks is essential for fostering a proactive risk management culture. To achieve this, the company adopts the three lines of defense model: Business Units' frontliners as risk owners, serve as the first line of defense followed by the ERM and Compliance at the second line, which provide oversight, guidance and support to strengthen

risk management practices. The third line of defense is the Internal Audit, which offers independent assurance by evaluating the effectiveness of risk management processes and controls.

INDEPENDENT AUDIT AND THIRD-PARTY REVIEWS

Independent audits and third-party reviews are essential for ensuring that the ERM framework operates as intended and that risks are managed effectively. The Internal Audit Group provides independent and objective assurance on governance, risk management and internal controls. The Group, headed by the Chief Audit Executive (CAE), functionally reports to the Audit Committee of the Board.

Additionally, the company engages external auditors to perform an independent audit, providing reasonable and objective assurance on the fairness and presentation of its financial statements and on other critical areas. To maintain objectivity, the external audit partner is rotated periodically, and non-audit services are carefully managed to prevent conflicts with its audit function. SM Prime's non-executive directors meet with the external auditor at least annually, without management present, to ensure full access to records and discuss any significant concerns requiring their attention.

INTERNAL CONTROL FRAMEWORK

SM Prime's internal control system, derived from the COSO Internal Control Framework, consists of five interrelated components—control environment, risk assessment, control activities, information and communication, and monitoring—that work together to effectively manage risks.

The control environment has been established by its leaders, and is demonstrated by the design of policies and procedures aimed to uphold competence, innovation and accountability. Ongoing risk assessments, guided by the enterprise risk management, ensure that controls are commensurate to the risks present.

Control activities are embedded in all processes. This ensures that risks are properly mitigated and maintained within acceptable levels. Consistent updates are disseminated across the organization to establish clear information and communication, making certain that people across all levels receive clear message from the management, and control responsibilities are taken seriously. Moreover, monitoring mechanisms are in place to review and assess quality of performance over time and drive continuous improvement.

The company ensures its internal controls remain dynamic, adapting to evolving strategies, objectives and trends to support long-term growth and sustainability.

RISK MANAGEMENT PROCESS

At the core of this framework is the continuous and consistent conduct of risk management process,



which involves identifying, assessing and prioritizing risks based on their impact and likelihood, while understanding their sources and interrelationships.

Once risks are identified, appropriate response strategies are developed based on the company's risk appetite. These strategies include accepting the risk if deemed manageable, mitigating the risk by reducing its likelihood or impact, transferring the risk to a third party, or avoiding the risk entirely. The Risk and Control Self-Assessment (RCSA) operationalizes this process, enabling Business Units to assess and address risks at the operational level.

To ensure risk management strategies remain effective, ongoing monitoring and reporting are conducted through continual improvement of the risk management process, regular management reviews, Board updates and the use of metrics like Key Risk Indicators to track changes in risk profile.

KEY ENTERPRISE RISKS

SM Prime continuously evaluates its exposure to various risks. Currently, the following have been identified as its key risks:

1. Reputational Risk

A company's reputation is one of its most valuable assets, and SM Prime recognizes that any adverse event—whether related to governance, product/service delivery, business practices, legal and regulatory compliance or stakeholder relations—can lead to eroding image, public trust, customer loyalty and investor confidence. The interconnected nature of reputational risk makes it particularly critical, as it can be triggered by other risks, such as compliance breaches or operational failures.

SM Prime has employed a multi-faceted approach to managing this risk which includes proactive media relations, a comprehensive crisis management plan to address reputation-related events, regular stakeholder engagement to manage expectations and perceptions, and a robust compliance system to ensure adherence to laws, regulations and internal policies.

2. Information Security and Technology Risk

As the company increasingly relies on digital infrastructure and accelerates its digitalization efforts, the associated risks from cyber threats, data breaches and system vulnerabilities have become more pronounced. To address these risks, it has established a comprehensive Information Technology (IT) risk management system, incorporating appropriate controls and best practices in key areas such as IT governance, access management, IT security, backup procedures, continuity planning and incident management, among others.

Periodic risk assessments are performed to identify

potential threats to assets, evaluate vulnerabilities and assess risks across key domains such as networks, operating systems, applications and databases. To further strengthen its security posture, the company regularly performs system vulnerability assessments and penetration testing (VAPT) and security controls assessment by third party.

In terms of cybersecurity, SM Prime has adopted globally recognized standards to implement cybersecurity strategies within the organization. A Security Operations Center (SOC) is in place to monitor, prevent, detect, investigate and respond to cyber threats that could potentially impact the organization.

The company also places significant emphasis on managing third-party and outsourcing risks associated with externally sourced systems and applications. Third-party vendors undergo a rigorous selection and evaluation process to ensure that only reliable and reputable partners are engaged. Stringent security requirements are enforced to guarantee the protection of Company assets.

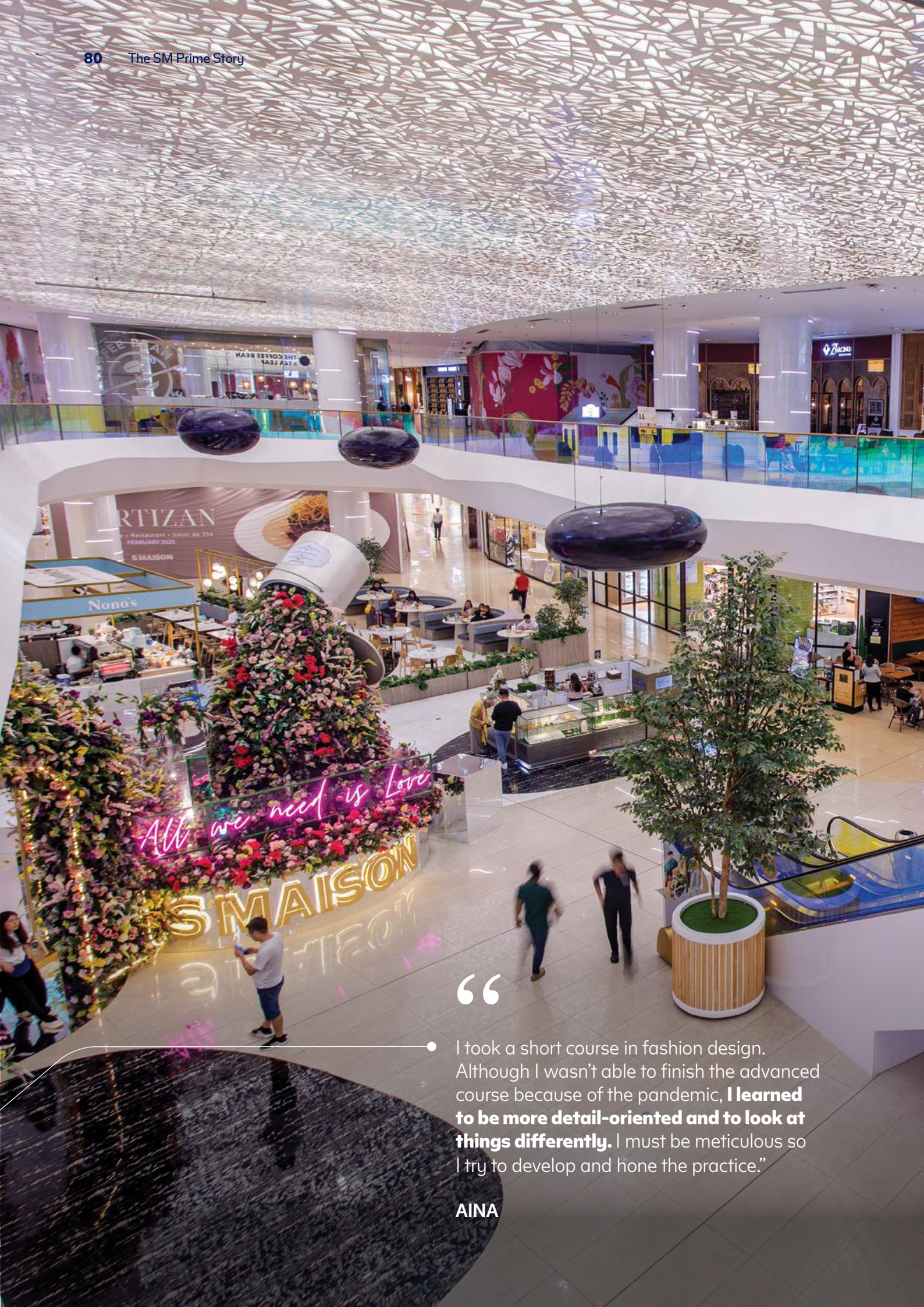
Furthermore, the company actively promotes information security awareness through organization-wide campaigns across various communication channels to educate employees on how to safeguard information and assets effectively.

3. Financial Risk

SM Prime effectively manages a wide range of financial risks, including credit, interest rate, foreign currency, liquidity and market risks, through a robust set of policies and strategies designed to maintain financial stability.

Credit risk is managed by evaluating the financial health of customers and setting credit limits to minimize defaults and delayed payments. To mitigate interest rate and foreign exchange risks, the company maintains a mix of fixed and floating rate loans and utilizes derivative financial instruments such as cross-currency swaps, principal-only swaps, non-deliverable forwards (NDFs) and interest rate swaps to minimize the risks associated with currency and interest rate volatility.

In managing liquidity risk, the company consistently monitors both its actual and projected cash flows and continuously evaluates financial market conditions to identify opportunities for securing funds through various means, including bank loans, debt capital and equity market offerings. To address market risks, SM Prime diversifies its target markets, reducing reliance on a single segment and fostering strong relationships with local and national bodies to navigate policy changes. Inflationary pressures are mitigated through proactive cost management strategies, including weekly construction reviews, exploring new materials and technologies, physical



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- I took a short course in fashion design. Although I wasn't able to finish the advanced course because of the pandemic, **I learned to be more detail-oriented and to look at things differently.** I must be meticulous so I try to develop and hone the practice.”

AINA

hedging for key materials and maintaining contingency allowances.

4. Legal and Compliance Risk

Non-compliance with regulations and evolving laws poses significant risks to the company. To mitigate these, the Legal and Compliance teams collaborate closely with Business Units to ensure strict adherence to regulatory requirements and legal standards. The Legal team safeguards the company's interests by thoroughly reviewing contracts, ensuring compliance with zoning laws, land use policies and environmental regulations, and managing dispute resolution and litigation risks.

Recognizing the complexity of regulatory environments, a dedicated Compliance Program has been established to actively monitor, assess and mitigate regulatory and compliance risks. The Compliance Function is primarily managed by the Compliance Office, with oversight provided by the Chief Compliance Officer (CCO).

The company enforces compliance through self-regulation within Business Units, complemented with regular independent reviews conducted by the Compliance Office and Internal Audit. This ensures that compliance is embedded into daily operations and aligns with industry best practices.

The Corporate Compliance Group (CCG) facilitates compliance awareness and ensures updated legal and regulatory information is readily accessible. Regular meetings are held to assess the impact of new regulations, determine the necessary compliance measures and ensure prompt action. Additionally, CCG maintains a monitoring database to track compliance activities and fosters strong relationships with regulators. This continuous engagement ensures that the company remains responsive to regulatory changes and new compliance requirements.

As a covered entity under the Anti-Money Laundering Act (AMLA), SM Prime has a Board-approved Money Laundering and Terrorist Financing Prevention Program (MTPP) in place. In 2024, SM Property Group conducted a comprehensive 3-day refresher training on Anti-Money Laundering (AML) and Counter-Terrorism Proliferation Financing (CTPF). The training aimed to reinforce the importance of AML and CTPF measures, ensuring that all participants are well-equipped to conduct customer due diligence, identify and report suspicious activities, and adhere to compliance procedures.

In addition to AMLA compliance, SM Prime is equally committed to protecting personal data and ensuring compliance with data privacy laws. The Company has established a comprehensive Data Privacy Program that includes policies, organizational structures, access controls and technologies designed to mitigate data privacy risks. As part of this program, Privacy Impact

Assessments (PIAs) are conducted to identify potential risks in personal data processing and implement appropriate controls.

The Board-appointed Data Protection Officer (DPO) oversees the program to ensure compliance with the Data Privacy Act, National Privacy Commission (NPC) guidelines and other relevant legislations. Furthermore, the company runs an ongoing Data Privacy Awareness campaign through various communication channels, equipping employees with best practices to safeguard data and uphold privacy standards.

5. Environmental, Social and Governance (ESG) and Climate Risk

With an increasing focus on sustainability, SM Prime is steadfast in its commitment to managing its environmental footprint, ensuring compliance with social responsibilities and upholding the highest standards of corporate governance.

To reduce its environmental impact, SM Prime focuses on managing resource consumption, waste generation and emissions. The company has set clear goals for energy efficiency, waste reduction and the adoption of sustainable technologies. This includes optimizing energy use across its facilities, shifting electricity demand to renewable sources and implementing initiatives to minimize waste and carbon emissions.

In 2024, SM Prime was recognized by the Department of Energy (DOE) for its resource conservation and renewable energy initiatives, including the use of energy-efficient fixtures and equipment such as the Light-Emitting Diode (LED) lighting, building insulations and installation of solar photovoltaic system capable of generating 44-megawatts (MW) of combined peak energy.

In the social realm, SM Prime prioritizes the well-being of its employees, customers and communities. The company supports diversity, inclusion and community development programs, ensuring that its operations contribute positively to society. The company also strives to improve stakeholder relations through transparency, ethical business practices and a strong focus on customer satisfaction and engagement.

In terms of governance, SM Prime upholds the highest standards of corporate ethics, compliance and accountability. The company regularly reviews its governance policies to align with evolving regulatory requirements and best practices.

SM Prime is also firm in joining the fight against climate change. The company integrates climate risk into its strategies and operations through investing in disaster-resilient and green infrastructures, allocating capital for sustainable design and supporting disaster risk reduction initiatives. It also assesses vulnerabilities related to extreme weather events, resource scarcity and regulatory changes.

6. Operational Risk

Operational risk remains one of the most significant exposures for SM Prime, primarily arising from its day-to-day operations. These risks can stem from human errors, process breakdowns, system failures or external disruptions. Due to its broad scope, operational risk spans critical areas such as safety and security, process execution and business continuity. The company is committed to effectively managing and mitigating these risks to ensure operational resilience.

Safety and Security Risk. SM Prime places utmost priority on the safety and security of its employees and stakeholders. All Business Units have established Emergency Response Procedures and conduct regular training to ensure staff emergency preparedness.

Aside from regular internal audits conducted by the Customer Relations Services (CRS) team, the company engages security consultancy providers to assess the effectiveness and efficiency of security measures implemented in critical areas like malls. The audit covers various aspects, including physical security, communication systems, documentation, personnel safety, security equipment adequacy and emergency response capabilities. This provides assurance that security weaknesses or gaps are identified and addressed accordingly.

The company has also instituted several programs in support of its workplace health and safety advocacy. Employees undergo annual physical exams and are encouraged to participate in health and wellness activities. In addition to in-house medical staff, SM Emergency Response Team (SMERT), a group of trained first-aiders, is available to assist employees and the public during emergencies. Furthermore, SM Prime regularly participates in fire safety and earthquake drills organized by government agencies.

Process Execution Risk. Operational efficiency is vital to maintaining business continuity. The Business Process Management Team continuously reviews and enhances business processes and drives the creation of value-adding tools to further improve operational performance.

The company ensures that clear policies are established and institutionalized to guide best practices across all units. Regular memoranda are issued to communicate policy updates, reinforce expectations and address any ambiguities. Additionally, process improvements are implemented by the Business Units through automation systems and centralized portals aimed to streamline workflows, improve efficiency and quality of outputs.

Property Damage and Business Disruption Risk. The company has developed a comprehensive Business Continuity Plan (BCP), which includes regular drills and process optimization initiatives designed to minimize disruptions. This plan ensures that the company is well-prepared to continue operations during unexpected incidents to protect both the company's assets and the interests of its stakeholders.

To manage risks related to property damage and business interruptions, SM Prime maintains various insurance coverages for its properties and operations. The coverages include protection against natural disasters and manmade events. The company partners with reputable insurance brokers and accredited insurance companies to ensure adequate coverage that aligns with industry standards and regulatory requirements.

A key component of SM Prime's operational resilience is its Business Continuity Management System (BCMS). The BCMS focuses on two critical areas: (1) preventing property damage that could lead to business disruptions; and (2) ensuring the company's operations team is equipped to manage and recover from any disruption to maintain continuity of critical functions.

The company has been systematically rolling out the BCMS across its malls to ensure it meets the highest standards of business continuity. In 2024, seventy-nine (79) malls were BCMS-certified, and the company expects to certify a total of eighty-three (83) malls by the end of 2025. The ISO 22301:2019 (BCMS) certification, which the malls undergo annually, ensures compliance with internationally recognized standards for business continuity, assessed by the third-party auditor, TÜV SÜD PSB Philippines.



RESILIENT AND READY

SM City Iloilo's Crisis Response in Action

2024 marks a significant milestone for SM Supermalls—a decade of unwavering commitment to excellence in crisis management. Over the past ten years, the implementation of the Business Continuity Management System (BCMS) has been a key pillar of operational resilience, enabling malls to effectively manage crises, minimize downtime and protect against financial losses, property damage and stakeholder concerns.

The value of BCMS is undeniable, especially given the unpredictable risks that can impact mall operations from natural disasters to fires and other emergencies. A powerful example of its effectiveness came in early 2024 when a massive power outage disrupted Western Visayas for four days. The blackout, triggered by the failure of major coal-fired power plants, affected multiple provinces and cities connected to the Panay Grid including SM City Iloilo (SMCI), the largest mall in the region.

Despite a 28-hour power disruption, SMCI's swift and strategic response highlighted the strength of its crisis management protocols. Preparedness played a crucial role as recurring power outages have long been a challenge on Panay Island. Drawing from past experiences, SMCI's BCMS was well-equipped to handle the crisis, allowing its team to manage

the situation confidently and minimize operational disruptions.

Strategic Crisis Response in Action

During the outage, key strategies were deployed to maintain essential operations:

- **Optimizing Power Consumption.** The team reduced energy use by cutting down on chiller units and alternated diesel generator use to prevent overheating.
- **Securing a Reliable Fuel Supply.** Anticipating possible shortages, the team sourced an alternative fuel supplier and placed early orders, ensuring fuel levels remained consistently above the required threshold

Thanks to these well-coordinated efforts, SM City Iloilo remained operational, providing essential services and offering electricity to the community during the blackout. This successful crisis response reinforced the importance of a robust BCMS and demonstrated the mall's unwavering commitment to its customers and the community—living up to its promise that “You are always welcome here.”





A DECADE OF BCMS EXCELLENCE

STRENGTHENING INCIDENT MANAGEMENT AT SM

Our resilience journey is built on a promise—to stand firm in the face of challenges, to adapt and innovate, and to ensure that SM Supermalls remains a trusted pillar of stability for years to come.

2024 marks a significant milestone—ten years of unwavering commitment to business continuity and incident management at SM Prime.

Through strategic planning and execution, our BCMS has strengthened our ability to withstand disruptions, minimize downtime, and support tenants, customers and employees. Key initiatives include:

Ensuring Business Continuity

Rapid activation of contingency solutions, including backup power sources such as diesel generators, security and maintenance workforce augmentation and alternative leasable spaces to sustain tenant operations.

Minimizing Operational Downtime

Effective crisis management strategies that prevent financial losses, mitigate property damage and maintain tenant and customer confidence.

Adapting to Unpredictable Risks

Proactive risk anticipation, response and recovery from natural disasters, infrastructure failures and emerging threats.



CELEBRATING 10 YEARS OF RESILIENCE: BCMS SIGNIFICANT MILESTONES

2015 – 2017

BCMS establishment and
ISO 22301 certification
in flagship malls

2020 – 2022

Incorporation of adaptive measures
during COVID-19; 90% of operating
malls were ISO 22301 BCMS Certified

2018 – 2019

Full integration of BCMS
into operations

2023 – 2024

Advancing BCMS with strategic
resilience, scenario testing and
data-driven planning

2015–2017

Establishing BCMS and ISO Certification

SM Supermalls laid the foundation for its Business Continuity Management System (BCMS), embedding risk management and business continuity planning into mall operations. This period also marked a major achievement: ISO 22301 certification through TÜV SÜD PSB Singapore, with its flagship malls - SM Mall of Asia, SM Megamall, SM North EDSA, SM Aura Premier and SM Southmall - leading the way.

2018–2019

Strengthening Business Continuity for Key Stakeholders

BCMS became fully integrated into operations, ensuring that business continuity planning aligns with real-world business needs. The focus shifted toward the lessor-lessee-service provider relationship, developing resilient contractual frameworks and recovery strategies that create long-term value for both SM Prime and its partners.

2020–2022

Reshaping Business Continuity Amid Crisis

The COVID-19 pandemic reshaped the way SM Prime approached business continuity, going beyond operational recovery to support tenants, lessees and service providers. SM Prime introduced flexible recovery measures to help business partners navigate disruptions, rebuild operations and ensure continued access to essential goods and services for communities.

2023–2024

Elevating BCMS as a Strategic Advantage

As SM Prime expands its footprint, BCMS continues to evolve, ensuring resilience, adaptability and business continuity excellence across all developments. The program now incorporates real-world scenario testing, streamlined planning processes and data-driven performance tracking to proactively anticipate disruptions and strengthen stakeholder collaboration.

BOARD OF DIRECTORS

HENRY T. SY, JR.
Chairperson



JORGE T. MENDIOLA
Non-Executive Director

HANS T. SY
Non-Executive Director



JEFFREY C. LIM
Executive Director and President

DARLENE MARIE B. BERBERABE
Independent Director



AMANDO M. TETANGCO, JR.
Vice Chairperson and Lead Independent Director

HERBERT T. SY
Non-Executive Director



J. CARLITOS G. CRUZ
Independent Director

HENRY T. SY, JR.

Chairperson

Henry T. Sy, Jr. has been a director of SM Prime since 1994. He was appointed as Chairperson of the Board in 2014. He is responsible for the real estate acquisitions and development activities of the SM Group, which include the identification, evaluation and negotiation for potential sites, as well as the input of design ideas. He is currently the Vice Chairman of SM Investments Corporation, Chair and Chief Executive Officer of SM Development Corporation, Vice Chairman of The National Grid Corporation of the Philippines and Chairman of the Board of Synergy Grid & Development Phils., Inc. He holds a Bachelor's Degree in Management from De La Salle University.

AMANDO M. TETANGCO, JR.Vice Chairperson and
Lead Independent Director

Amando M. Tetangco, Jr. was elected as Vice Chairperson and Independent Director of the Board of Directors of SM Prime in April 2021. He is concurrently the Chairman of SM Investments Corporation, an Independent Director of Converge ICT Solutions, Inc. and Shell Pilipinas Corporation. He also currently holds directorships in Manila Hotel and Toyota Motor Philippines. He is also a trustee of St. Luke's Medical Center, Tan Yan Kee Foundation and Foundation for Liberty and Prosperity. He is also a member of the international advisory board of the Graduate Institute for Policy Studies in Tokyo, Japan and the Asia School of Business in Kuala Lumpur, Malaysia.

Mr. Tetangco was the third Governor of the Bangko Sentral ng Pilipinas (BSP) and Chairman of the Monetary Board, and served for two consecutive 6-year terms from July 2005 to July 2017. He was a career central banker for over four decades, having joined the Central Bank of the Philippines on 25 March 1974. During his term as Governor, he held other government positions, such as the Chairman of the Anti-Money Laundering Council, the Financial Stability Coordination Council, and the Philippine International Convention Center. He was also Vice-Chair of the Agriculture Credit Policy Council; and a member of the Capital Markets Development Council and the Export Development Council. Prior to his first appointment as Governor in 2005, he was Deputy Governor in charge of the Banking Services Sector, Economic Research and Treasury of the BSP. He also was the Alternate Executive Director of the International Monetary Fund in Washington, D.C. from 1992 to 1994. Before joining the Central Bank, he worked at the Management Services Division of SGV and Co. in 1973-74.

Overseas, he was the country's representative to the ASEAN Central Bank Forum; the Executives' Meeting of East Asia and Pacific Central Banks; the South East Asia

Central Banks; the South East Asia, New Zealand and Australia; and the Center for Latin American Monetary Studies. He was the Governor for the Philippines at the International Monetary Fund and the Alternate Governor at the World Bank and the Asian Development Bank. At the Bank for International Settlements, he was Chair of the Meeting of Small Open Economies. He also chaired various international committees -- the BIS Asian Consultative Council; the Financial Stability Board Regional Consultative Group for Asia; and the Alliance for Financial Inclusion Steering Committee.

He was conferred the Order of Lakandula with the Rank of Bayani by the President of the Philippines in 2009 and the Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan in 2019. He also received multiple recognition by a number of international organizations as one of the best central bank governors and chosen as MAP Management Man of the Year in 2015. He was conferred the Honorary Degree of Doctorate in Management by the Asian Institute Management in 2023.

Mr. Tetangco graduated from Ateneo de Manila University with an AB Economics degree (cum laude), and obtained his Masters in Public Policy and Administration (Development Economics) from the University of Wisconsin at Madison, Wisconsin, USA, as a BSP scholar. He attended various training programs at different institutions, including the Harvard Business School and the New York Institute of Finance.

J. CARLITOS G. CRUZ

Independent Director

Mr. J. Carlitos G. Cruz was elected as an Independent Director of the Board of Directors of SM Prime in April 2021. He is concurrently an independent director of Transnational Diversified Group, Inc., Federal Land, Inc., Asialink Finance Corporation and related companies namely Global Dominion Financing Incorporated, South Asialink Finance Corporation, Global Cebuana Finance Inc., Cebuana Cycle Financing, Inc., AFC SME Finance Inc., Global SME Loans, Inc., Wisefund Finance Corp., Cycle Financing Corp., Surecycle Financing Corp., Cepat Kredit Financing, Inc., Forbes Lending Solutions Corporation and Annapolis Finance, Inc. and MarcoPay and its subsidiaries such as MCP Finance, Inc. and MCP Insurance Management and Agency, Inc., and an independent trustee of the MPIC Beneficial Trust Fund. He is also an independent director of Vivant Corporation which is a listed company. He is also a member of the Makati Business Club, Inc. and Management Association of the Philippines. Mr. Cruz joined SGV and Co. (EY Philippines) in 1981 and was admitted to the partnership in 1995. He was later on appointed Chairman and Managing Partner in 2017 until 2019. Concurrent with his role as SGV Chairman and Managing Partner, he was also Chairman and President of the SGV Foundation. He also became President of Association of Certified Public Accountants

in Public Practice (ACPAPP) in 2017, and in 2018, assumed the presidency of the ACPAPP Foundation. Mr. Cruz has also been active in supporting the Government's efforts to promote business and trade by participating in Presidential business delegations to various countries, including Thailand during the terms of President Joseph Estrada, President Cory Aquino and President Rodrigo Duterte; Europe and Japan during the term of President Benigno Aquino III; and Russia during the term of President Rodrigo Duterte. Mr. Cruz graduated from the University of Santo Tomas with a Bachelor of Science in Commerce degree and is a Certified Public Accountant (CPA). He completed the Advanced Management Program of the Harvard Business School in 2007. He has been conferred with numerous awards, including the "Parangal San Mateo" from the Philippine Institute of Certified Public Accountants. The award is the highest honor given to a CPA in honor of his significant contributions to the accountancy profession. He was also conferred by the Philippine Regulatory Board of Accountancy as a recipient of the Accounting Centenary Award of Excellence given to the 100 most notable CPAs in Philippine Accounting history.

DARLENE MARIE B. BERBERABE

Independent Director

Atty. Darlene Marie B. Berberabe was elected as an Independent Director of the Board of Directors of SM Prime in April 2021. She is a lawyer, management consultant, and academic. She is the Dean of the UP College of Law and holds directorates in Joy-Nostalgie Solaris Inc., Palm Concepcion Power Corporation, PA Alvarez, Katapult Digital and UnionDigital Bank. She is also a faculty member of the Philippine Judicial Academy. She is also elected to the Board of Trustees of The Outstanding Women in Nation Service, Philippine Heart Association and UP Law Alumni Foundation. She was an associate lawyer in Quisumbing Torres Law Firm with specialization on labor law. Post law firm, she joined Procter & Gamble Philippines where she was a Senior Counsel and member of the Leadership Team. In 2010, she was appointed by the President of the Republic of the Philippines as the CEO of Pag-IBIG Fund. She was a recipient of a number of awards including Outstanding CEO in Asia by the ADFIAP, Outstanding CEO in the public sector by Asia CEO, one of the The Outstanding Women in Nation Service in 2013, and one of the 100 Most Influential Filipino Women in 2014. She graduated with a degree in Philosophy from UP, summa cum laude and class valedictorian of the College of Social Sciences and Philosophy in 1989. She was the first female Philosophy instructor in the same school where she taught for 10 years, and has a Masters in Philosophy. She was a working student and graduated salutatorian of her class in UP Law in 1999.

JEFFREY C. LIM

Executive Director and President

Mr. Jeffrey C. Lim was appointed President of SM Prime in October 2016 and has been reappointed since then. He is a member of the Company's Executive Committee. He was elected to the Board of Directors of SM Prime in April 2016. He concurrently holds various board and executive positions in other SM Prime's subsidiaries. He is a Certified Public Accountant and holds a Bachelor's degree in Accounting from the University of the East. Prior to joining the Company in 1994, he worked for a multi-national company and for SGV & Co.

HANS T. SY

Non-Executive Director

Mr. Hans T. Sy is the Chairman of the Executive Committee of SM Prime and has been a Director of the Company since 1994. He previously held the position of President of SM Prime until September 2016. He also held key positions in several companies engaged in banking, real estate development, mall operations, as well as leisure and entertainment. He is currently Adviser to the Board of SM Investments Corporation, Chairman of China Banking Corporation, and Chairman of National University. Mr. Sy holds a B.S. Mechanical Engineering degree from De La Salle University.

HERBERT T. SY

Non-Executive Director

Mr. Herbert T. Sy has been a director of the SM Prime since 1994. He is also an Adviser to the Board of SM Investments Corporation and is currently the Chairman of Supervalu Inc., Super Shopping Market Inc. and Sanford Marketing Corporation and Director of Alfamart Trading Philippines Inc. and China Banking Corporation. He also sits in the Board of several companies within the SM Group and has worked with SM companies engaged in food retail for more than 35 years. He is likewise actively involved in the SM Group's Supermarket Operations, which include acquisition, evaluation and negotiation for potential sites. He holds a Bachelor's degree in Management from De La Salle University.

JORGE T. MENDIOLA

Non-Executive Director

Mr. Jorge T. Mendiola has been a director of SM Prime since 2012. He is also currently a Director of SM Retail, Inc. He started his career with The SM Store as a Special Assistant to the Senior Branch Manager in 1989 and rose to become its President in 2011, a position he held for four (4) years. He is also currently one of the Directors of the Philippine Retailers Association. He received his Master's degree in Business Management from the Asian Institute of Management. He holds an A.B. Economics degree from Ateneo de Manila University.





VALUE CREATION AND SUSTAINABILITY

○
NATURAL CAPITAL, 108

○
EMPLOYEES AND SUPPLY CHAIN, 116

○
SM CARES, 122

INTEGRATED APPROACH TO VALUE CREATION AND MATERIALITY

MATERIALITY APPROACH

SM Prime's materiality assessments use a multi-stakeholder approach, evaluating internal and external factors that significantly influence our business and stakeholders. These findings shape our strategy and guide medium- to long-term plans.

To maintain accountability, we continuously refine our materiality process, integrating evolving sustainability standards and best practices. Our recent reports align with IFRS S1 and IFRS S2 and adopt the double materiality approach, which evaluates both financial materiality (how sustainability risks and opportunities affect financial performance) and impact materiality (how the company's operations and value chain impact the economy, environment and society).

Three-Step Materiality Approach

Recognizing the fast-changing landscape of ESG disclosure, SM Prime has developed a three-step approach to ensure sustainability reporting is robust, globally aligned and industry-specific. This approach underscores the company's dedication to sustainability, leadership and proactive climate action.

Materiality Matrix: Aligning Value Creation with Sustainability Goals

SM Prime uses a Materiality Matrix to identify and prioritize sustainability topics that are important to our stakeholders and our business. This matrix helps us focus on areas where we can make the greatest positive impact and mitigate potential risks.

Step 1

Regulatory Compliance

SM Prime adheres to sustainability mandates set by the Philippines Securities and Exchange Commission (SEC) and other national regulating bodies. This ensures compliance with basic requirements and establishes a foundation for broader assessments.

Step 2

Global Alignment

Beyond local regulations, SM Prime aligns with global sustainability frameworks relevant to real estate, including:

GRESB

ESB assessment for real estate portfolios and assets.

IFRS S1 and S2

Standards for integrating sustainability and climate-related financial disclosures.

GRI

Widely recognized for stakeholder-focused sustainability reporting.

These frameworks improve compatibility, strengthen investor confidence and enhance global relevance.

Step 3

Voluntary Commitments

SM Prime integrates its strategy with voluntary commitments and global sustainability objectives such as:

SBTi

Aligning climate targets with scientific recommendations for limiting global warming.

UN SDGs

Embedding sustainability into socio-economic and environmental priorities.

We recognize that our properties are part of an interconnected system of buildings, the natural environment and human well-being. We strive to minimize our negative impacts and create positive outcomes for both people and the planet.

We believe businesses have a responsibility to lead in developing sustainable solutions. By prioritizing energy efficiency and reducing our reliance on fossil fuels, we can mitigate climate-related risks and seize new opportunities. This approach fosters long-term prosperity and builds more resilient communities.

SUSTAINABILITY AMBITION ROADMAP

Shared Prosperity for All

Focus Areas	Strategic Pillars	Impact		
		People	Projects	Places
Economy	Socio-Economic Pillars	Empowerment through education, skills development and economic opportunities	Inclusive growth through local entrepreneurship and poverty reduction	Socially and economically vibrant communities
People	Quality Employment	Creation of sustainable, diverse, fair and decent work	Job-creating developments that prioritize and foster local talent	Prosperous communities with access to fulfilling work
Community	Climate Resilience	Enhancement of community climate awareness and preparedness	Climate-resilient developments and operations	Future-proofed infrastructure for extreme weather events
	Business Opportunities	Strengthening local economies through small and medium enterprises (SMEs) and supplier support	Collaborations that enhance project outcomes and drive supplier growth and innovation	Strong local economies through sustainable business practices and supply chains
	Customer Well-being	Improving lives through enhanced services, products and experiences	People-centric spaces that prioritize ease, well-being and sustainability	Environments that foster individual and community development

SUSTAINABILITY AMBITION ROADMAP

Environmental Sustainability

Focus Areas	Strategic Pillars	Impact		
		People	Projects	Places
Environment	Net Zero 2040	Collaborating and innovating for a sustainable future	Mitigating climate change impacts through renewable energy solutions and carbon offsets	Better air quality for a healthier, sustainable future
	Waste-Free Future	Actively promoting and implementing waste reduction and resource conservation	Driving circularity through innovation and waste reduction	Cleaner communities with less waste and better resource management
	Water for Tomorrow	Improving access to clean, safe and sustainable water supply	Conserving water through investments, technology and responsible use	Protecting ecosystems and resources for water security

STAKEHOLDER ENGAGEMENT

CREATING AND SHARING VALUE THROUGH SUSTAINABLE DEVELOPMENT

At SM Prime, we believe that lasting success comes from integrating economic growth, social responsibility and environmental stewardship.

By creating sustainable real estate developments, we deliver urban solutions that drive financial performance while benefiting both people and the planet.

Through renewable energy integration, green building practices and active community engagement, we strategically align our efforts to achieve positive social, environmental and financial outcomes, creating shared value for all stakeholders.

Our collaborative approach to sustainability reflects our genuine belief in the power of collective action to create a better Philippines. We actively engage with our stakeholders through open dialogues and joint initiatives,

working together to achieve positive outcomes for those impacted by our work.

Alongside our stakeholder engagement, we champion environmental stewardship through our business practices and corporate social responsibility programs to enhance quality of life and conserve resources for future generations. We adopt science-based strategies to enhance the disaster resilience of our developments, optimizing energy and water consumption and minimizing reliance on virgin materials. This holistic approach to sustainability supports shared long-term growth, strengthens our brand equity and upholds our commitment to protecting the environment and local communities.

WHO WE ENGAGE WITH



Employees



Government Partners



Suppliers



Investor and Analysts



Customers



Media Contacts



Local Communities



Multi-Sector and Sustainability Partners



EMPLOYEES

ENGAGEMENT FREQUENCY AND CHANNELS

Ongoing Communication	Daily interactions through MS Teams, Messenger and Viber for real-time updates
Quarterly Engagements	Townhalls, departmental meetings and performance check-ins to align goals and gather feedback
Annual Events	Performance reviews, engagement surveys and training programs for development
Monthly Activities	Events, pulse surveys, team-building activities and other initiatives
Blended Formats	A mix of face-to-face and virtual engagements for townhalls, policy cascades and engagement programs.

STAKEHOLDER NEEDS AND EXPECTATIONS

Operational Efficiency and Employee Welfare	Long work hours, limited work-life balance and extended approval timelines
Engagement and Communications	Inclusion of all employees in engagement activities, timely guidance on KPIs and work tools for new hires, connectivity challenges for tenured employees
Sustainable Solutions and Continuous Monitoring	Long-term solutions for recurring issues, continuous monitoring for early detection and proactive management for timely resolution of potential concerns
Career Development and Work-Life Integration	Expanded training programs for career growth, optimized shifts for work-life balance, salary adjustments and mentoring programs



STRATEGIC ACTION AND RESPONSE

Workload Management	Staffing adjustments, process improvements and training for efficiency
HR Council Discussions	Evaluation of concerns, joint proposals to Management and direct Business Unit resolutions
Issue Resolution	Closure of concerns from previous engagement activities before the next
Work-Life Integration	Flexible work shifts for better work-life balance
Career Development	Expanded training programs, learning opportunities and internal mobility for growth



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SM is not just about profits or business—it’s also about caring for people who are different. At the end of the day, we are all human beings.

Over 23,000 participants—including individuals with autism, their families, professionals and advocates—joined the Autism Society Philippines (ASP) Angels Walk for Autism on April 21, 2024.

Held annually in partnership with SM Cares, the corporate social responsibility arm of SM Supermalls, the event promotes inclusion, acceptance and appreciation of people on the autism spectrum across the country.

This commitment goes beyond awareness. At SM Supermalls, frontliners such as security guards, janitors, service staff and tenant partners

receive specialized training to better understand, identify and support individuals on the spectrum—creating safer, more inclusive spaces for all.

“SM is not just about profits or business—it’s also about caring for people who are different,” said Marvin Pe, father to a son with autism and Vice President of Internal Audit at SM Prime.

“We appreciate and accept everybody regardless of who they are and what they are. At the end of the day, we are all human beings,” he added.

CUSTOMERS

ENGAGEMENT FREQUENCY AND CHANNELS

Communication Channels	Emails, hotlines, social media, chatbots and surveys for continuous customer engagement
Sales and Marketing Activities	B2B meetings, sales calls, marketing events, social media, Viber communities, email and text blasts, and CRM efforts
Customer Interaction	Daily engagement via reservation lines, contact centers, loyalty programs and the Stay Please app
Events and Associations	Participation in memberships, coffee chats, Culinaire events, tradeshow and tenant engagement activities
Regular Engagement	Daily to annual interactions, including permit management, tenant support and government bid participation for smooth operations and compliance

STAKEHOLDER NEEDS AND EXPECTATIONS

Information Requests and Clarifications	Frequent inquiries on rules, guidelines and operational concerns
Convention Space and Hotel Service Issues	Limited space availability, peak season rates concerns and occasional service lapses
Property and Payment Concerns	Delayed unit turnover, payment posting, sales negotiations, title follow-ups, property issues and restructuring requests.
Mall Tenant and Operational Feedback	Rental negotiations, space availability, store design and building operations
Market Trends and Policy Changes	Monitoring global trends and government policies to manage supply, convention demand and local regulations.



STRATEGIC ACTION AND RESPONSE

Regular Coordination Meetings	Planning, task assignments and issue resolution through team discussions
Customer Feedback and Interaction	Monitoring feedback via ReviewPro, surveys and TripAdvisor with immediate action on concerns
Delayed Project Turnover Management	Task force oversight, backlog resolution and regular construction updates
Mall Tenant Communication	Previews, business reviews and store opening timelines for tenant updates
Timely Responses	24-hour response commitment and prompt updates on internal processes and approvals



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I joined Trash to Cash because it's a great way to help the environment while also earning a little extra. I bring used bottles, boxes, cans and newspapers. Instead of throwing them away, I make sure they go to good use.

SM Prime's Trash to Cash (TTC) program turns sustainability into everyday action. Held monthly in SM malls, TTC lets customers exchange recyclables like paper, plastic and metal for cash or essentials—making eco-conscious habits both practical and rewarding.

In 2024 alone, TTC collected over 12 million kilograms of recyclables, rewarding participants with more than P28 million. That's equivalent to saving 204,000 trees or cutting 18,000 tons of carbon emissions.

“I joined Trash to Cash because it's a great way to help the environment while also earning a little extra,” said Argel Moreno, 33, a regular participant at SM City Manila. “Every month, I bring used bottles, boxes, cans and newspapers. Instead of throwing them away, I make sure they go to good use.”

MULTI-SECTOR AND SUSTAINABILITY PARTNERS

ENGAGEMENT FREQUENCY AND CHANNELS

Direct Engagements	Ongoing interaction with municipal offices, factories, property managers and schools through education programs
Media Events and Meetings	Regular press conferences, orientations and media events to promote sustainability initiatives
Program Launches and Collaborations	Engagements through launches, press briefings, social events and partnerships
Quarterly and Monthly Engagements	Project-based interactions occurring quarterly or monthly for continuous collaboration
Proposal Approval and Integration	Sustainability-aligned proposals are reviewed, approved and integrated after stakeholder coordination

STAKEHOLDER NEEDS AND EXPECTATIONS

Waste Management Challenges	Costly and inefficient waste disposal; landfilling is cheaper but unsustainable. Circularity and improved processing needed as costs rise.
Sustainability Programs and Investor Attraction	New programs enhance awareness, attract investors and strengthen partnerships for long-term planning.
Operational Concerns	Response times, accreditation processes and payment lead times pose challenges, particularly for MSMEs managing cash flow.
Compliance and Program Implementation	Essential for meeting sustainability targets, ensuring proper governance, verification and financial accountability
Marine Protected Areas and Awareness	Ongoing protection, awareness campaigns and co-created programs to prevent illegal poaching and boost customer engagement

STRATEGIC ACTION AND RESPONSE

Waste Management Initiatives	Enhanced waste segregation and increased plastic collection in compliance with the Extended Producer Responsibility Act of 2022; joint venture with GUUN Co. Ltd (GUUN) to generate “fluff fuel” from non-recyclable waste materials
Effective Engagement	Stakeholder insights gathered through engagement questions, regular meetings and partner catch-ups
Immediate Issue Response	Urgent concerns addressed promptly to align with company goals
Communication and Synergy	Press releases promote rooftop solar photovoltaic (PV) projects; expanding partnerships strengthens sustainability efforts
Partnerships and Assessments	WWF collaboration for underwater assessments to guide Marine Protected Area (MPA) protection



SUPPLIERS AND BUSINESS PARTNERS

ENGAGEMENT FREQUENCY AND CHANNELS

Supplier Accreditation	Pre-engagement requirement, compliance with SM Sustainable Supply Chain Policy, site visits to plants and showrooms
Bidding and Awarding	Zychus Vendor Ordering system launch by Q1 2025 for process efficiency
Communication	Annual emails on ethics and gift policies, frequent updates on specifications, pricing and delivery, meetings for issue resolution
Events and Training	Participation in expos, trade fairs, supplier seminars and online briefings for industry updates
Site Inspections	Walkthroughs of ongoing projects, reviews of completed supplier and contractor projects for quality and compliance

STAKEHOLDER NEEDS AND EXPECTATIONS

Specifications Mismatch and Quality Issues	Products not meeting requirements or quantities, occasional substandard quality
Delivery Delays and Lead Time	Missed delivery timelines and lead time challenges
Price Increase Requests and Inflation	Price hike requests due to inflation and unexpected cost surges
System-Related Issues and Payment Terms	Challenges with gross receipts (GR) posting, lead time and payment terms
Delayed Payments to Suppliers	Timely payments, clear and structured communication, streamlined processes

STRATEGIC ACTION AND RESPONSE

Supplier Responsiveness	Suppliers can schedule meetings with Management via Supplier Relations to address concerns
Addressing Price Increases	End users and consultants explore cost-effective alternatives without compromising quality
Supplier Briefings and Re-orientation	Regular sessions ensure suppliers understand procedures, submit SOAs on time and clear outstanding payables
Regular Business Updates	Orientation, memos and meetings to keep suppliers informed
Constant Communication	Ongoing discussions on product and delivery improvements, innovations and operational updates through town halls and virtual meetings



LOCAL COMMUNITIES

ENGAGEMENT FREQUENCY AND CHANNELS

Community Visits	Assess culture, behavior, socioeconomic conditions and skills to understand community needs
Community Engagement Programs	Organize seminars, contests and initiatives like plastic reduction to boost awareness, involvement and sustainability
Digital Communication	Use newsletters, bulletins and digital platforms for regular community updates
Environmental and Fitness Initiatives	Implement programs like Adopt-A-River, effluent tests and fitness events for sustainability and health
SM Cares and Ongoing Programs	Advocate for sustainability, inclusivity and empowerment through clean-up drives, institutional campaigns and regular activities

STAKEHOLDER NEEDS AND EXPECTATIONS

Sustainability Concerns and Long-Term Solutions	Shift from short-term CSR to sustainable initiatives aligned with community needs and goals
Operational Focus and Logistical Considerations	Prioritizing maintenance, operations, timing, safety and security
Funding and Impact	Addressing funding needs to meet expectations, expand reach and institutionalize programs
Expansion and Leadership	Scaling programs across locations by preparing and empowering local teams
Community-Specific Projects and Sustainability Education	Tailoring projects to local needs, integrating skills and expertise

STRATEGIC ACTION AND RESPONSE

Regular Monitoring and Support	Ongoing monitoring, mentoring and coaching to sustain projects and address challenges
Internal Programs	Supporting initiatives through internal programs that enhance sustainability efforts
Enhanced Communication Strategies	Strengthening communication across multiple platforms for better outreach
Community Engagement	Partnering with tenants, NGOs and government agencies to recruit volunteers and conduct community visits
Effective Engagement Methods	Face-to-face discussions, annual meetings and improved digital engagement for volunteer efforts



INVESTORS AND ANALYSTS

ENGAGEMENT FREQUENCY AND CHANNELS

One-on-One Meetings and Conference Calls	Scheduled based on investor and analyst requests for personalized engagement
Non-Deal Roadshows and Conferences	Participation by invitation to present company performance and strategy
Property Tours and Site Visits	Arranged upon request to provide firsthand insights into properties and projects
Media and Analyst Briefings	Annual media briefings post-Stockholders' Meeting; quarterly analyst briefings via SMIC channels
Regular Update Calls	Investors regularly request updates on company performance; main stakeholders have not sought new proposals

STAKEHOLDER NEEDS AND EXPECTATIONS

Financial Results and Transparency	Investors mainly concerned with financial performance and project expansion
Project Developments	Regular progress reports and milestone updates
Sustainability Efforts and Data	Detailed insights on sustainability initiatives and their impact
Continuous Communication	Ongoing, clear communication to maintain stakeholder trust and confidence

STRATEGIC ACTION AND RESPONSE

Managing Concerns	Addressed through physical and virtual meetings with top management
Investor Relations	Regular updates via one-on-one calls, emails, property tours, NDRs, website, Investor Kit and quarterly calls.



GOVERNMENT PARTNERS

ENGAGEMENT FREQUENCY AND CHANNELS

Dialogues and Consultations	Regular participation in public consultations with energy stakeholders and government bodies
Partnerships and Seminars	Collaboration with government agencies, including seminars and energy efficiency programs
Annual Report Submissions	Timely submission of reports to regulators for legal and regulatory compliance
Audits and Inspections	Participation in audits and inspections to maintain compliance and address issues proactively
Award Ceremonies and Recognition	Engagement in industry recognition programs, highlighting achievements and contributions

STAKEHOLDER NEEDS AND EXPECTATIONS

Inspection and Documentation	Most issues resolved during inspections; required documents provided for audit closure
Government Record-Keeping and Compliance	Organizations may be required to provide proof of payments and remittances to facilitate government verification and ensure compliance
Tax and Permit Challenges	Strict tax payment schedules, LGU assessment discrepancies and rising regulatory demands require extensive documentation
Regulatory Actions and Transparency	Emphasis on timely, transparent and consistent regulatory processes, with a focus on clear guidelines, accountability and fair implementation
Policy Changes and Political Influence	Evolving policies, personnel transitions and varying legal interpretations impact compliance, with economic and regulatory factors shaping decisions



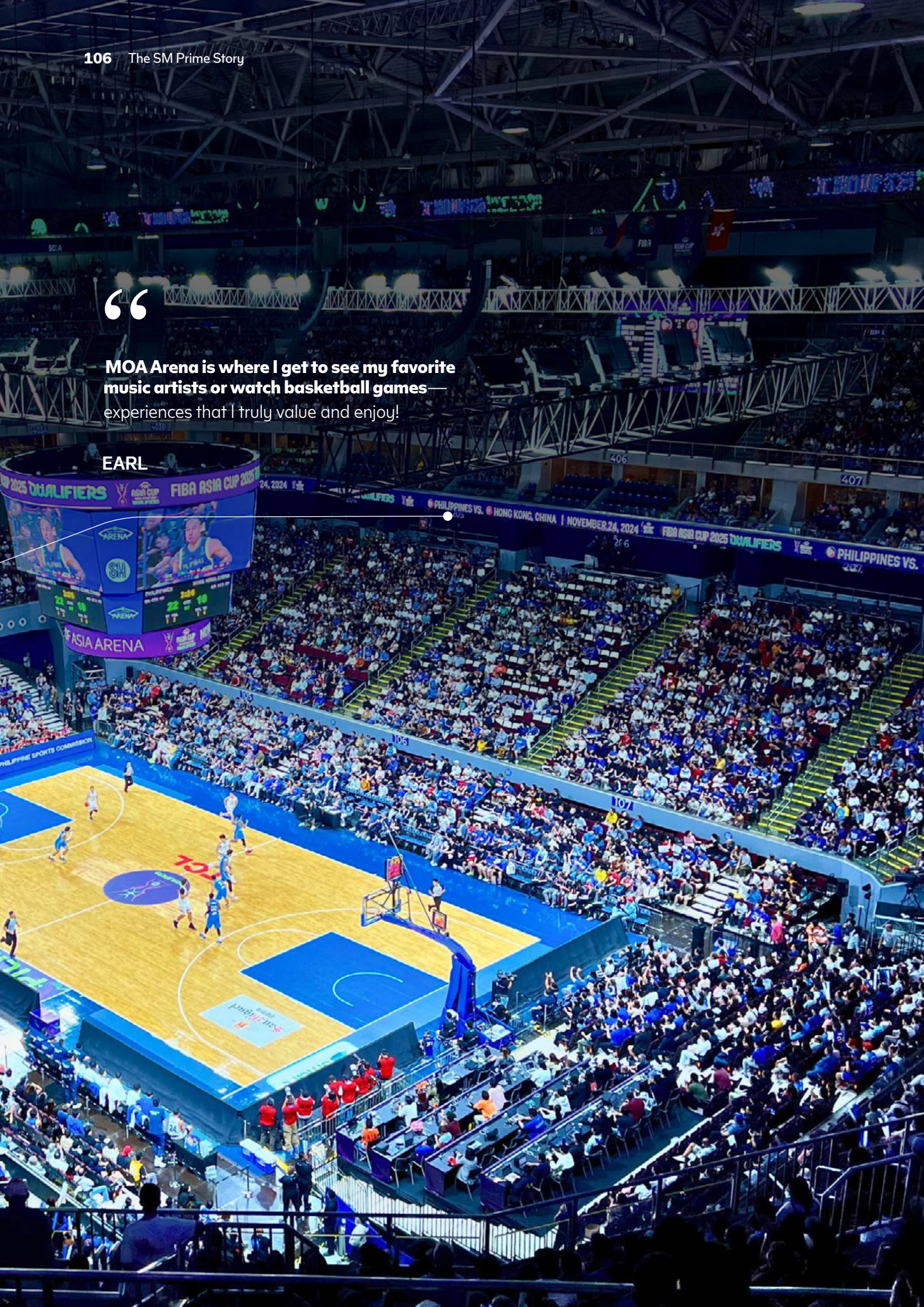
STRATEGIC ACTION AND RESPONSE

Formal Correspondences and Appeals	Regulatory concerns addressed through formal letters, position papers, discussions and appeals
Proactive Issue Resolution	Timely corrective actions to maintain compliance and prevent issues
Annual Compliance Clearance	Submission of required documents and management alignment to meet regulatory requirements
Open Communication and Training	Regular engagement with regulators, participation in seminars and role-based training for compliance
Synergies and Relationships	Collaboration with government and industry stakeholders to facilitate regulatory processes, tax compliance and business permits

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MOA Arena is where I get to see my favorite music artists or watch basketball games—experiences that I truly value and enjoy!

EARL



MEDIA PARTNERS

ENGAGEMENT FREQUENCY AND CHANNELS

Annual Media Briefings	Hold post-Stockholders' Meeting with key officers to provide updates
Press Releases and Communication	Regular media updates via email, print, broadcast, digital platforms, social media and sponsored content
Media Events and Socials	Press briefings, launches, interviews, courtesy visits and appreciation events to strengthen relationships
Quarterly and Monthly Engagements	Quarterly placements, annual media tours and monthly activities for sustained engagement
Proposal Evaluation and Approval	Major publication proposals reviewed and assessed for strategic alignment, reach and impact

STAKEHOLDER NEEDS AND EXPECTATIONS

Virtual access	Media partners request live streaming of briefings due to scheduling conflicts
Processing Delays and Budget Constraints	Managing payment schedules and budget allocations to enhance media placements and engagement
Increased Media Interest	Growing interest in media briefings with new project announcements, including requests for exclusive content, expedited response and multimedia formats
Strengthening Media Relations	Regular engagements, informal meetings, access to spokespersons, rigorous procurement processes for media buys and distribution of strategic press releases to improve coverage quality

STRATEGIC ACTION AND RESPONSE

Budget Allocation	Media placements prioritized based on available resources and strategic priorities
Standard Responses	Approved statements address most issues, with some matters are deferred due to regulatory or legal considerations
Effective Communication	Sustainability initiatives, tenant support programs and workspace innovations shared through press releases, media tours and features
Management Engagement	BU management's adaptability supports PR efforts, with media partnerships strengthened through roundtables, exclusive events, virtual tours and personal engagement



NATURAL CAPITAL

At SM Prime, our commitment to sustainability extends to the responsible stewardship of natural capital, ensuring that our operations minimize environmental impact while creating long-term value for stakeholders.

We integrate sustainability principles into our business strategy, reinforcing our role in environmental conservation and climate resilience.

SM PRIME SUSTAINABILITY POLICY

Our founding leader, Henry Sy, Sr., believed that “business growth and social development must go hand in hand”. Following this guiding principle, SM Prime recognizes the importance of institutionalizing sustainability practices in pursuing its goals. In this light, we consistently ensure that our working conditions are safe, all our workers are treated with respect and dignity, and our business operations are environmentally responsible and conducted ethically.

We comply with existing regulations and voluntarily employ value chain processes that consider economic, environmental, social and governance issues and concerns in accordance with our sustainability framework and our adopted global reporting standard. We shall achieve this together with the help of our employees, business partners and customers.

This Sustainability Policy, carried out in the key commitments specified below, aligns with all our other corporate policies and business principles, particularly with our Company Code of Ethics.

Furthermore, SM Prime commits to the following:

Resource Conservation and Efficiency

- Increase energy efficiency (i.e., significant decrease in electricity consumption)
- Conserve and protect water resources through efficiency, reuse and stormwater management (i.e., significant decrease in water consumption)

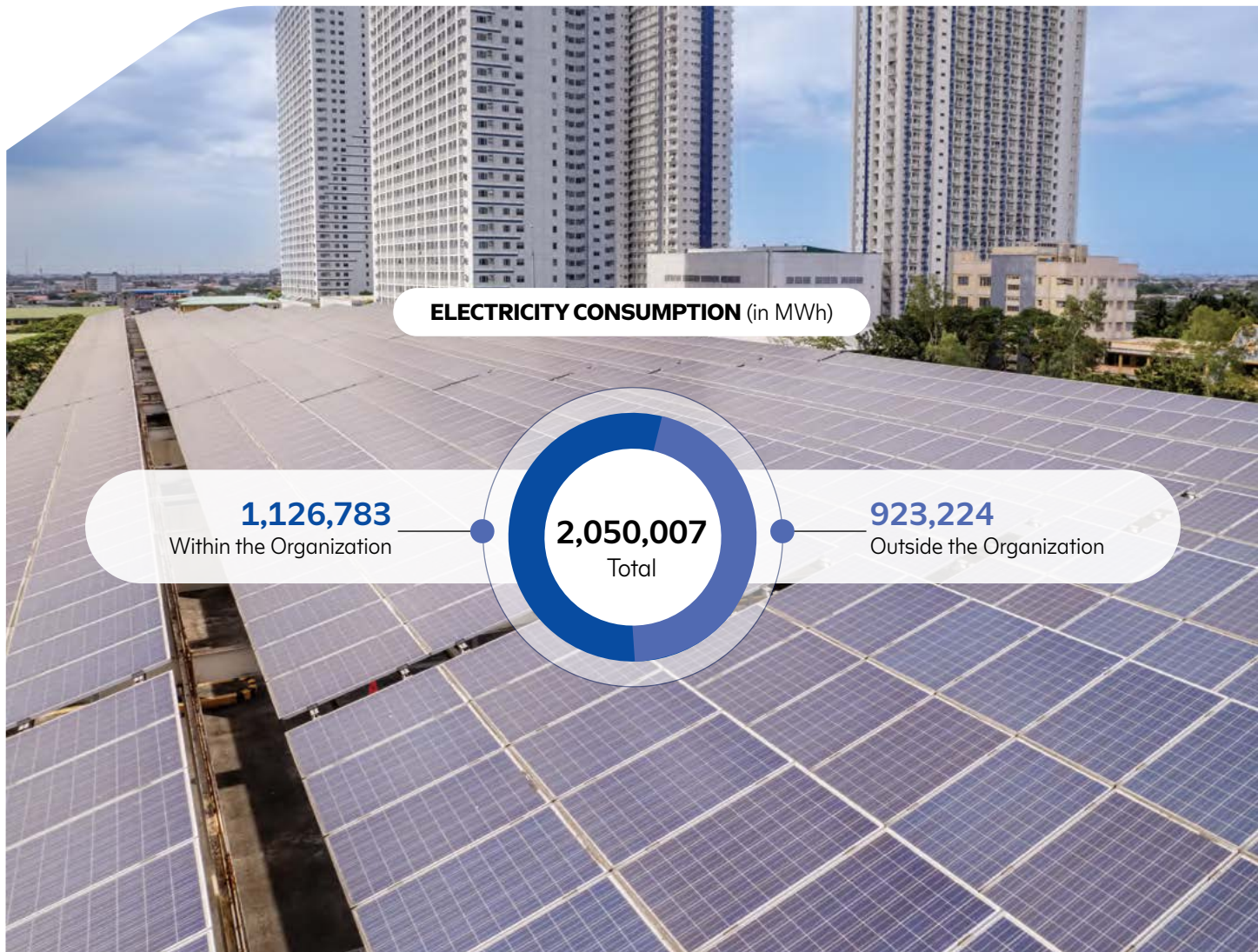
- Eliminate waste, prevent pollution and increase recycling (i.e., zero waste)

Disaster Resilience

- Ensure the safety and security of our stakeholders, protect assets, and minimize disruptions to the availability of goods and services through the Disaster Resilience Policy Framework
- Evaluate climate risks and vulnerabilities. Develop mitigation and adaptation measures to manage both the short and long-term effects of climate change on the company’s operations.
- Align company initiatives with the United Nations and national government on prevention and mitigation, preparedness, response and recovery, and rehabilitation efforts.

Climate Advocacy

- Increase the use of renewable energy, wherever possible.
- Leverage the company’s acquisitions to foster markets for sustainable technologies and environmentally preferable materials, products and services.
- Raise employee awareness and encourage each individual in our business units’ communities to apply sustainability ideals to every aspect of their daily work (i.e., participate in at least two sustainability events within the year and attend the Sustainability 101 Workshop).



Social Integration

- Initiate programs for diversity and inclusivity, aligned with human rights and labor practices to support community development.
- Advocate global and local community efforts that promote private and public partnerships.

Transparent Reporting

Measure and report sustainability performance (i.e., contribute to the company's group wide Integrated Report).

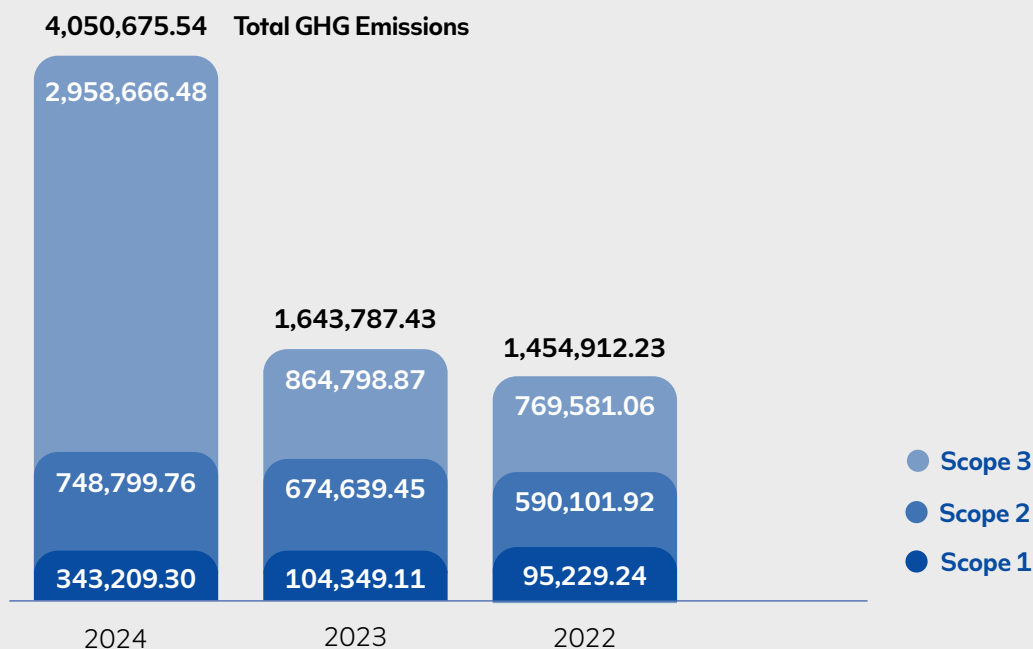
Guided by our Sustainability Policy, we comply with regulatory requirements and industry best practices while engaging employees, tenants and communities through awareness programs and partnerships. These initiatives drive collective action toward responsible resource management. Training sessions and communication campaigns further enhance knowledge of sustainability

principles, reinforcing a culture of environmental stewardship. By embedding sustainability into our operations, SM Prime remains steadfast in preserving natural capital for future generations while contributing to a resilient and sustainable economy.

We implement proactive measures to manage our environmental footprint through resource efficiency, waste reduction and biodiversity preservation. Our developments prioritize green building practices, water and energy conservation initiatives, and responsible land use to mitigate environmental risks.

ENERGY EFFICIENCY AND EMISSION REDUCTION

As part of our commitment to responsible operations, SM Prime continuously implements energy efficiency measures to optimize consumption and reduce emissions. We leverage technology and sustainable practices to enhance energy management across our properties.

BREAKDOWN EMISSIONS PER SCOPE (in MtCO₂E)

Our operations primarily rely on grid-purchased electricity, complemented by energy-efficient initiatives such as LED lighting retrofits and advanced cooling system upgrades. These efforts contribute to reduced electricity consumption and lower operational costs while supporting our climate action goals.

SM Prime also monitors emissions across its value chain, covering Scope 1 (direct emissions), Scope 2 (indirect emissions from purchased electricity), and Scope 3 (other indirect emissions). By integrating sustainability considerations into decision-making, we strive to decarbonize our portfolio and align with global climate targets.

Scope 1 Emissions

In 2024, SM Prime's Scope 1 emissions totaled 343,209.30 tCO₂e, marking a 229% increase from 2023. This rise is primarily due to enhanced data collection following the implementation of a new reporting tool, which improved tracking of refrigerant usage—a key component of Scope 1 emissions. The updated system captured previously underreported data, providing a more accurate baseline for future reduction efforts. While this increase reflects the complexities of GHG accounting, it also reinforces our commitment to transparency and more precise measurement in alignment with global climate reporting standards.

Scope 2 Emissions

SM Prime's Scope 2 emissions increased by 11%, rising from 674,639.45 tCO₂e in 2023 to 748,799.76 tCO₂e in 2024 due to business expansion and higher energy consumption. Recognizing that electricity from fossil fuels remains a key driver of Scope 2 emissions, we are actively procuring renewable energy and expanding solar installations across our properties. As of 2024, 50% of the energy used in our RCOA facilities is sourced from renewables, with 51.6 MW of solar panels installed across 47 properties.

Scope 3 Emissions

In 2024, SM Prime's Scope 3 emissions reached 2,958,666.48 tCO₂e, marking a 242% increase from the 2023 baseline of 864,798.87 tCO₂e. This rise was primarily driven by business expansion across key segments, leading to higher value chain emissions, as well as improvements in data collection methodologies that enhanced the accuracy of fuel consumption tracking in our malls—revealing previously underreported emissions. While this increase highlights the complexities of scaling sustainably, it also underscores our commitment to transparent environmental accounting. These insights will inform targeted strategies to decouple operational growth from emissions intensity, advancing our long-term sustainability objectives.

EMISSIONS INTENSITY

Beyond managing absolute emissions, SM Prime now tracks emissions intensity, which measures greenhouse gas (GHG) emissions per unit of output (Million MtCO₂e/Php million revenue).

In 2024, SM Prime's combined Scope 1 and Scope 2 emissions intensity was 0.00754, reflecting an 28% increase from 0.00588 in 2023.

Meanwhile, Scope 3 emissions intensity increased by 213%, rising from 0.00653 in 2023 to 0.02045 in 2024. This increase correlates with SM Prime's revenue growth, underscoring the importance of continued engagement with our value chain to drive emissions reductions.

SCOPE 1 AND 2 EMISSIONS INTENSITY

2024	0.00754
2023	0.00588
2022	0.00627

SCOPE 3 EMISSIONS INTENSITY

2024	0.02045
2023	0.00653
2022	0.00704

WATER CONSERVATION AND RESPONSIBLE EFFLUENT MANAGEMENT

Water is a critical resource in our operations. We actively monitor consumption and implement conservation measures to optimize usage. Our properties are equipped with water-efficient fixtures, rainwater harvesting systems and wastewater treatment facilities to minimize environmental impact.

In 2024, SM Prime extracted a total of 18,137,117.61 m³ of water, representing a decrease of 2.8% from 2023. Effluent discharge from our operations undergoes strict treatment processes, ensuring compliance with regulatory standards before being released into water bodies. SM Prime has achieved a 26.23% increase in recycled water volume, rising from 4,424,985 m³ in 2023 to 5,585,826 m³ in 2024. This progress underscores our dedication to Water Stewardship, aligning with global sustainability standards to optimize resource efficiency and reduce environmental impact.

WATER	Total (in m ³)
Total Water Withdrawal	18,137,117.61
Total Water Discharge	9,922,379.75
Total Water Recycle	5,585,826.46
Total Water Consumption	8,214,737.86

TOTAL WASTE GENERATED (in tons)

296,856.51

BEAKDOWN PER WASTE TYPE	Total (in tons)	BEAKDOWN PER DISPOSAL TYPE	Total (in tons)
Recyclable	3,689.00	Recycled/Reused	3,656.84
Disposable (Residual)	95,921.22	Sent to Landfill	185.16
Compostable (Biodegradable)	186,221.46	Collected by Accredited Hauler	283,718.65
Hazardous Waste	4,573.04		
Others	6,451.80		

Sustainable Waste Management

Our commitment to a waste-free future is reflected in our waste reduction strategies and circular economy initiatives. By minimizing waste generation and promoting resource efficiency, we strive to reduce environmental impact and contribute to a more sustainable economy.

SM Prime is committed to achieving 100% waste segregation at the source through its pioneering #SMWasteFreeFuture program. By categorizing waste into three distinct streams—Recyclable, Disposable, and Compostable—the initiative ensures responsible resource recovery, recycling and disposal. This structured approach underscores SM Prime's dedication to fostering sustainable practices and advancing a circular economy.

Our waste management policies align with national environmental regulations, reinforcing our commitment to circularity through materials recovery facilities, proper hazardous waste disposal and community waste diversion programs.

In 2024, SM Prime recorded 292,283.48 tons of non-hazardous operational waste, marking an 81% increase from 2023. This significant rise is primarily due to the deployment of an enhanced data collection tool, which has strengthened the accuracy and reporting capabilities of our Business Units.

To reinforce responsible waste management, we launched The R-D-C (Recyclable, Disposable and Compostable) bin system across all our developments. This initiative promotes waste segregation at the source, encouraging tenants, employees and customers to adopt more sustainable disposal practices. By fostering a culture of

reducing, reusing and recycling, this milestone marks the first step in SM Prime's commitment to innovative waste diversion strategies.

Beyond our properties, 7,373.08 metric tons of waste were successfully diverted through our joint venture partnership with the GUUN waste-to-fuel facility in Cebu. This pioneering initiative converts non-recyclable waste into alternative fuel sources, providing an environmentally responsible solution to waste disposal while supporting the transition to sustainable energy alternatives.

By continuously enhancing our waste management systems and building strategic partnerships, SM Prime aims to minimize landfill dependency and contribute to a more circular economy.

Biodiversity Protection and Future Carbon Forest

Beyond physical structures, our developments serve as ecosystems that nurture local biodiversity. By incorporating green spaces and sustainable landscaping, we create healthier environments, enhance community well-being and preserve natural heritage.

As of 2024, SM Prime continues to expand its mangrove conservation efforts across 24 hectares of protected sites, reinforcing our commitment to biodiversity protection and climate resilience. These initiatives not only safeguard coastal ecosystems but also contribute to carbon sequestration, supporting our Net Zero by 2040 goals.

Task Force on Climate-Related Financial Disclosures (TCFD)

SM Prime has embedded climate considerations into governance and strategic planning, ensuring resilience in

a changing climate landscape. Our 2024 TCFD disclosure reflects our commitment to proactive climate mitigation and adaptation, supported by SM Prime's dedicated Sustainability Technical Working Group, board oversight and alignment with IFRS S2 requirements.

Governance – Our Board and TWG conduct structured annual reviews to assess climate risks and opportunities. Climate training for senior leadership ensures a unified approach, integrating scenario analyses into strategic planning and risk management.

Strategy – Climate change presents both risks and opportunities. Our scenario analyses inform investment decisions, including a planned Php 100 billion capital expenditure in 2024 for energy efficiency, renewable energy integration, water and waste management, and resilient infrastructure.

Risk Management – Our enterprise-wide risk framework assesses both physical risks, such as extreme weather events and transition risks, including regulatory and market shifts. These considerations guide strategic and operational decision-making.

Metrics and Targets – Transparent progress measurement is essential to achieving our sustainability commitments. The table below outlines our absolute emissions targets, developed in collaboration with WWF-Philippines.

SM Prime utilized the SBT-Setting Tool (v.2) and Scope 3 Tool by SBTi to establish science-based targets (SBTs) using the Absolute Contraction Approach (ACA). To align with a 1.5°C pathway, its minimum ambition targets include a 46.2% reduction in Scope 1 and 2 emissions and a 27.5% reduction in Scope 3 emissions by 2030, based on 2019 levels. However, leveraging recent data and an updated energy efficiency index (EEI), it has set more ambitious targets: a 70% reduction for Scope 1 and 2 and a 50% reduction for Scope 3 Category 13 emissions by 2030. Long-term, it targets a 67.2% reduction in total GHG emissions by 2035.

Preparing for a Net-Zero Future

Deploy, deploy, deploy

Cleaning up emissions

PRESENT

PHASE 0

NEAR-TERM

LONG-TERM

2023

2023-2025

2025-2030

2030-2040

Near-term SBT

An overall goal amount of 22.15 kgCO₂e/m² for in-Use Operational Emissions and 9.59 kgCO₂e/m² for Embodied Emissions by 2030.

Long-term SBT

(Retail Shopping Centers) An overall goal amount of 1.47 kgCO₂e/m² for in-Use Operational Emissions and 12.92 kgCO₂e/m² for Embodied Emissions by 2050.

(Offices) An overall goal amount of 1.39 kgCO₂e/m² for in-Use Operational Emissions by 2050.



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At SM, we believe that securing a better future for generations to come hinges on our commitment to innovative solutions and projects that embody sustainability principles. Sustainable investments play a crucial role in this endeavor.

JICA



To achieve these goals, SM Prime's Decarbonization Roadmap is structured into three phases: Phase 0 (2023–2025), Near-Term (2025–2030), and Long-Term (2030–2040). Phase 0 focuses on foundational groundwork, including baseline assessments and preparatory initiatives. The Near-Term phase prioritizes energy efficiency measures across existing and new developments to meet the 2030 targets. The Long-Term phase will refine strategies to achieve net-zero emissions, adapting to evolving technologies, policies and market conditions.

SM Prime's decarbonization strategy is anchored on five key pillars aligned with a 1.5°C carbon budget:

- Phasing Out Fossil Fuels
- Managing Demand through Energy Efficiency
- Sustainable Energy Supply
- Greening Construction
- Neutralizing Emissions

Having decarbonized 68% of its energy supply, SM Prime is advancing its renewable energy (RE) procurement, investment-grade energy audits, Green Building standards and supply chain sustainability.

Our TCFD-aligned climate strategy integrates governance, foresight, and risk management with transparent, science-based targets. As we navigate the evolving climate landscape, SM Prime remains committed to climate resilience and sustainable development. For further details, refer to pages 42–47 of the SM Prime 2023 Annual Integrated Report.

Transition to SDA (Sectoral Decarbonization Approach) Reporting

SMPH seeks recommendations on transitioning to the SDA framework, particularly in aligning disclosures with sector-specific pathways and enhancing stakeholder clarity.

Advancing Science-Based Decarbonization in Real Estate

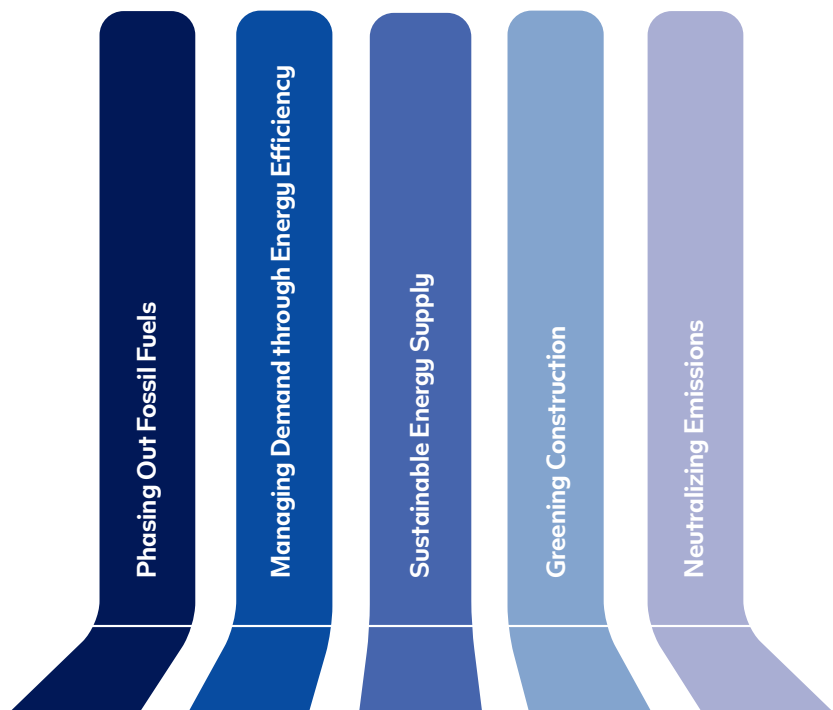
The Draft SBTi Buildings Guidance (v.0.2.1) introduces detailed pathways for emissions reduction, considering building typologies and locations. It applies a “whole building approach” to assess In-Use Operational Emissions from Scope 1, Scope 2 and select Scope 3 sources, alongside Upfront Embodied Emissions from construction materials and processes.

To enhance data-driven decision-making, SM Prime is expanding its data collection to include ground floor area, building typologies and geographies across all business units. Currently, only Retail Shopping Malls (SM Supermalls) and Offices (CPD) in the Philippines track floor area data.

OUR PATH TO NET ZERO: FIVE KEY PILLARS

Our strategy rests on five strategic pillars that shape the impactful action across our value chain.

These pillars reflect our commitment to carbon neutrality—from reducing fossil fuel dependence to enhancing efficiency and driving sustainable innovation.



EMPLOYEES AND SUPPLY CHAIN

At the heart of SM Prime's success over the past 30 years are our employees—the dedicated individuals who drive our vision forward. They are the foundation of our growth, innovation and commitment to sustainability.

By aligning our purpose with the talents and aspirations of our workforce, we continue to build a thriving organization that fosters collaboration, inclusivity and meaningful impact—today and for years to come.

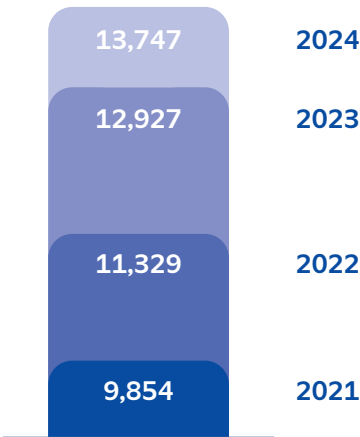
In 2024, we celebrate all 13,747 of our employees. SM Prime's new era is shaped by a generation that values purpose-driven work, mental wellness, collaboration, innovation and financial security. Late Millennials and Gen Z, who make up 41.31% of our workforce, play a significant role in driving this transformation.

Our new SM Prime Headquarters reflects these values through an environment where colleagues can learn

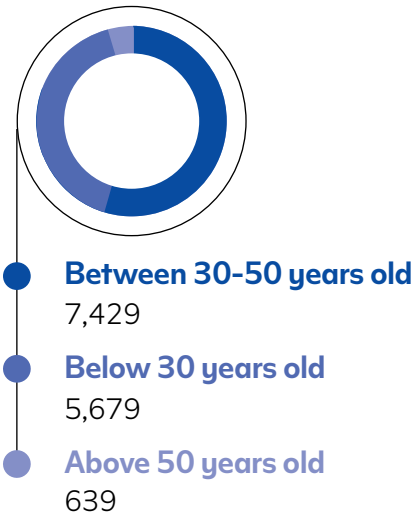
from one another. Open workspaces, huddle areas and numerous meeting rooms provide spaces for face-to-face interactions and employee engagement activities, enabling teams to collaborate efficiently and achieve their goals.

We also remain committed to the development and well-being of our employees by offering competitive compensation and opportunities that support both their professional growth and personal lives. We prioritize a healthy and safe work environment, cultivating a rewarding culture that attracts a diverse group of professionals from various backgrounds and fields—reflecting the workforce of the future.

TOTAL HEADCOUNT OF EMPLOYEES



2024 TOTAL HEADCOUNT BY AGE





AVERAGE SALARY RATIO
AVERAGE FEMALE SALARY: AVERAGE MALE SALARY



**Senior
Management**



**Middle
Management**



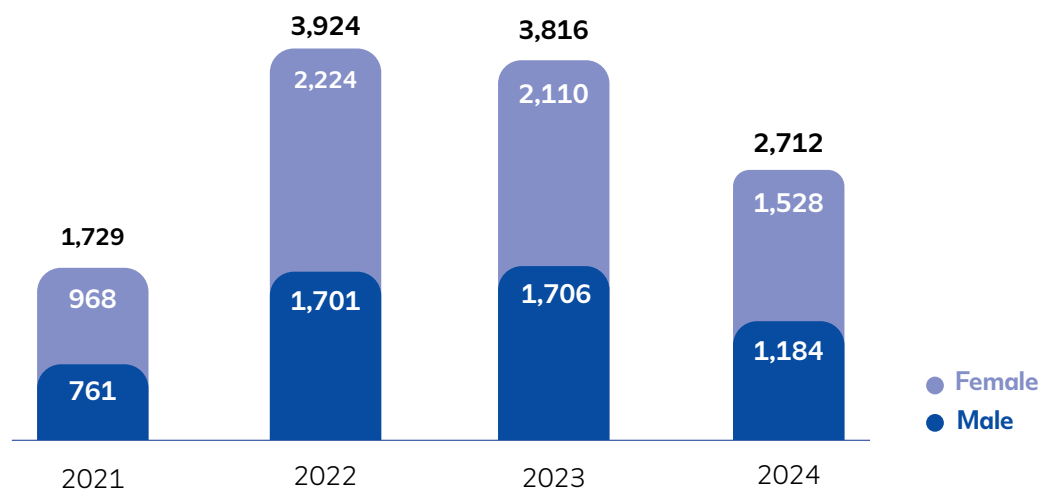
**Junior
Management**



Rank-and-file



NEW EMPLOYEE HIRES



TALENT MANAGEMENT, ACQUISITION AND RETENTION

Recognizing that satisfied and motivated employees are essential to our continued success, the SM LIFE (SM Life Integration for Employees) serves as our talent management and employee engagement program. It is designed to support employees throughout their journey with us, following a cycle that includes recruitment, performance, development, rewards and engagement. The program focuses on enhancing the overall employee experience, empowering our people to learn, grow and give back.

Our human capital efforts are driven by passion, performance and purpose. We continuously seek to attract, develop and retain top talent to maintain our leadership position in the Philippines.

New Employee Hires

In 2024, women made up 56% of our new hires, reflecting our commitment to fostering a diverse and inclusive workplace. This figure highlights the active participation of women across our businesses, reinforcing our efforts to provide equal opportunities for all. By maintaining a balanced and equitable hiring process, we continue to create an environment where talent is recognized based on skills, potential and contributions—regardless of gender.

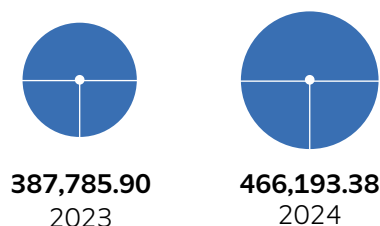
Training

The future of our business depends on our ability to respond to and rapidly adapt to the latest technologies. Continuous learning enables our employees to grow in their careers and stay equipped for a fast-changing world. At SM Prime, we prioritize investments in training to nurture talent, ensure strong leadership succession and enhance job satisfaction.

SM Prime actively engages employees in continuous education and professional development while making learning convenient and accessible. Through our Digi-U Program, powered by LinkedIn Learning, employees gain access to curated, on-demand courses designed to improve daily performance, develop new skills and expand professional competencies.

In 2024, training hours increased by 20%, rising from 387,785.90 to 466,193.38 hours, with employees averaging 34 training hours each. This growth was driven in part by the expanded availability of online learning platforms, which made training more accessible and convenient.

TOTAL TRAINING HOURS



EMPLOYEE ENGAGEMENT

In 2024, SMILE (SM Integrated Life Enablement), our new human capital management system, was launched. Powered by Darwinbox and supported by virtual assistant Primo, SMILE streamlines processes to empower employees, enhancing both productivity and job satisfaction. We also foster a culture of appreciation and peer-to-peer recognition through the SM Life app, strengthening workplace engagement.

Sustainability remains a key strategy in attracting and retaining younger talent, who seek employers that share their values. Our commitment to their future and shared prosperity is reflected in our sustainability programs, which focus on a waste-free future, securing water for tomorrow and advancing our net-zero roadmap.

EMPLOYEE VOLUNTEERISM

Our commitment to social inclusion, environmental stewardship and economic advancement extends beyond the workplace. We recognize that employees find deeper purpose and fulfillment in contributing to community-driven initiatives. Through SM Cares, our corporate social responsibility arm, employees are empowered to engage in large-scale volunteerism. In 2024, the International Coastal Cleanup mobilized thousands of volunteers across the SM Group, making it a record-breaking movement for cleaner seas and waterways—demonstrating our shared commitment to sustainability.

RECOGNITION FROM WITHIN

At SM Prime, we celebrate and reward employees who embody our values and contribute to our shared success. The SM Prime Excellence Awards honors individuals who demonstrate exceptional performance, dedication and innovation in their roles.

Our competitive compensation model, which considers performance, individual contributions and role responsibilities, ensures that employees are fairly rewarded and motivated to grow within the organization. Through our culture of appreciation, peer-to-peer recognition and milestone celebrations, we continue to foster an environment where employees feel valued and empowered.

EXTERNAL RECOGNITION

In 2024, SM Prime's SM LIFE program was honored as the National Awardee for People Program of the Year (Employee Experience and Engagement category) at the People Management Association of the Philippines (PMAP) National Conference in Iloilo City.

Further solidifying our commitment to fostering an exceptional workplace, SM Prime earned the Great Place to Work (GPTW) certification for 2025. According to the Great Place to Work survey, 83% of SM Prime employees consider it a great place to work—significantly surpassing the 65% industry average in the Philippines.

DIVERSITY AND INCLUSION

SM Prime is a staunch advocate of the UN Women Empowerment Principles (WEP) and upholds laws and regulations that support women and working mothers. We believe that fostering female leadership is essential to maximizing our organization's full potential, and we continue to provide opportunities for women to excel across all levels of the company.

Our commitment to diversity and inclusivity ensures an open and collaborative workplace where different perspectives drive creativity, innovation and growth. As a multi-generational organization, we embrace fresh ideas and dynamic leadership to shape a thriving and progressive workforce.

With a nationwide presence, SM Prime actively hires talent from across the Philippines, including the Mindanao and Visayas regions, where many employees hold key management positions. As an equal-opportunity employer, we believe in sustainable and inclusive growth, ensuring that every individual has the chance to contribute and succeed.

Women make up 56% of our workforce, with a notable increase from the previous year. 53% of managerial and senior leadership positions are held by women, reflecting our commitment to gender equality. We also uphold pay equity, maintaining an equal salary variance between genders and enforce strict policies against discrimination and workplace violence through mandatory training and awareness programs.

SAFETY, HEALTH AND WELLNESS

The resilience of our business is deeply connected to the health and well-being of our people. SM Prime ensures that employees have access to comprehensive health benefits, including healthcare services, annual physical exams and insurance coverage. On-site clinics, staffed with trained occupational health nurses, provide medical assistance and support, ensuring a safe and healthy work environment.

Workplace safety is a top priority. We conduct regular training on safety standards, disaster resilience, business continuity management, compliance accreditation, pollution control, emergency preparedness, and occupational safety and health protocols. Open communication channels are in place to address safety concerns and mitigate health risks effectively.

Beyond physical health, mental wellness is an integral part of employee well-being. SM Life offers regular webinars on stress management and champions passion clubs—providing employees with avenues to pursue personal interests, showcase talents and maintain an active lifestyle. Our new headquarters is designed to encourage movement, with stair-friendly layouts, gym facilities and open spaces that promote physical activity. A chapel is also available for employees to access at any time for spiritual reflection.

SUPPLIERS AND VALUE CHAIN

At SM Prime, we operate on a foundation of trust and shared values. We collaborate with accredited suppliers and partners who enhance and support our operations, ensuring that our business aligns with excellence, transparency, compliance and responsible practices.

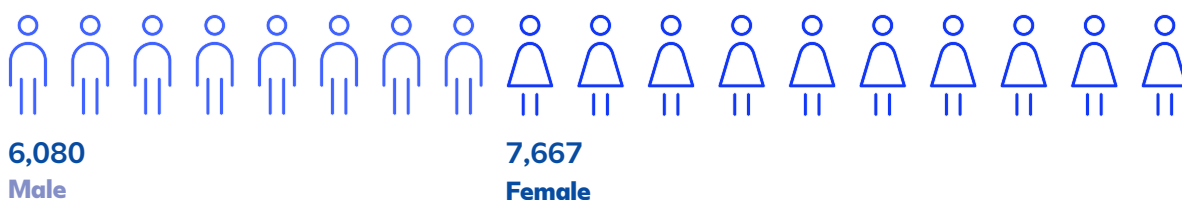
To build, operate and manage our facilities—creating a seamless SM experience for our customers, guests and residents—we rely on partners who uphold the same high standards and commitment to quality. All suppliers must meet the requirements of our strict accreditation process, which guarantees accountability and adherence to ethical business practices.

To streamline operations, our business divisions have dedicated vendor portals tailored to their specific needs. These portals manage accreditation processes, agreements, procurement, purchase orders, invoice tracking and withholding tax documentation. In addition, communication channels are available to promptly address vendor inquiries and concerns, ensuring smooth and efficient collaboration.

Recognizing the importance of continuous improvement, SM Prime offers workshops, training and forums on procurement methods, sustainability initiatives, safety procedures and company guidelines. For instance, we conducted specialized training to help our housekeeping partners adapt to the Recyclable, Disposable and Compostable (RDC) waste segregation scheme in preparation for the launch of the #SMWasteFreeFuture program.

At SM Prime, we value our strong relationships with partner companies and stakeholders. By fostering open communication, fair collaboration and a shared commitment to sustainability, we continue to build a resilient, responsible and future-ready supply chain.

2024 TOTAL HEADCOUNT, BY GENDER



OCCUPATIONAL HEALTH AND SAFETY

EMPLOYEES*	2024	2023	2022	2021
No. of fatalities	0	0***	0	1
No. of lost-time Injuries	21	1,833	2,291	10,126
Employees total hours worked	30,902,744	21,786,529	22,823,280	18,359,481

CONTRACTORS**	2024	2023	2022	2021
No. of fatalities	1	2	1	0
No. of lost-time Injuries	64	266	85	4
Contractors total hours worked	62,924,540	167,965,824	134,845,586	30,380,387

* Data coverage includes only SCMC, SMDC, and SMHCC

** Data coverage only includes SCMC

*** Restated from 2 to 0 following verification that the cause of death was natural and not work-related



Regular earthquake drills conducted nationwide



20 YEARS OF SUPPORTING COMMUNITIES
NURTURING OUR ENVIRONMENT AND

CARING FOR OUR ENVIRONMENT

TRASH TO CASH



RECYCLABLES
12M KGS
TREES SAVED
204K

WASTE

CONSUMER
PLASTIC WASTES
63,874 KGS
ELECTRONIC
WASTES
11,000 KGS

BEYOND LIGHTS OUT



ELECTRICITY
5,199 KWH
CO₂
3,632 KGS

INTERRUPTIBLE LOAD PROGRAM AND EV CHARGERS

110 MW
CAPACITY CONTRIBUTION
126
EV CHARGING STATIONS

BIKE-FRIENDLY SM



>2K CYCLISTS ATTENDED
NATIONAL
BIKE DAY
PARKING AND
REPAIR STATIONS
6.3K

OCEAN CLEANUP AND OCEAN'S DAY



KGS OF WASTE
290
VOLUNTEERS
50K



AND THE PEOPLE FOR A SUSTAINABLE FUTURE

CARING FOR THE PEOPLE

SENIOR FILIPINO COMMUNITY

600 GRANNIES CELEBRATED

**ELDERLY FILIPINO
WEEK 2024**

353 GRANNIES JOINED

**TALAKAYAN
SUPER GRANNIES**



FILIPINO YOUTH

OVER 24,000 YOUNG
SUSTAINABILITY
CHAMPIONS AT

**THE 12TH GLOBAL
YOUTH SUMMIT 2024**

the biggest youth gathering
in the Philippines



WOMEN AND GIRLS

SM KICKS OFF

**BREAST CANCER
AWARENESS MONTH**



with over 500 breast cancer
warriors, families and friends
showed support to BEAUTIFUL
GIRLS: ECHOES OF STRENGTH



IN CELEBRATION OF

**NATIONAL
WOMEN'S MONTH**

16,696 participants joined
in Promoting Safe Places
for Women.

NEURODIVERGENT COMMUNITY



27,379 ENTRANTS
MARCHED AT

**ANGELS WALK FOR
AUTISM 2024**

500 PATRONS JOINED

CEREBRAL PALSY DAY

330 ADVOCATES
PARTICIPATED IN

**AUTISMOKPHFUTURE
EVENT**

6,500 PARTICIPANTS JOINED

**THE 2024
HAPPY WALK**

for Down Syndrome
Awareness



Scan the QR code to view
the SM Cares Year-End
Report.





FINANCIAL REPORTS

○
REPORT OF THE
AUDIT COMMITTEE, 130

○
INDEPENDENT AUDITOR'S
REPORT, 134

○
FINANCIAL
STATEMENTS, 138

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

SM Prime Posts Record Annual Profit, up 14% to Php 45.6 Billion

Financial and Operational Highlights

(in Million Pesos, except for financial ratios and percentages)

	Twelve Months Ended December 31				
	2024	% to Revenues	2023	% to Revenues	% Change
Profit and Loss Data					
Revenues	140,391	100%	128,098	100%	10%
Costs and Expenses	72,354	52%	66,818	52%	8%
Operating Income	68,037	48%	61,279	48%	11%
Net Income	45,632	33%	40,011	31%	14%
EBITDA	82,167	59%	74,083	58%	11%
	Dec 31 2024	% to Total Assets	Dec 31 2023	% to Total Assets	% Change
Balance Sheet Data					
Total Assets	1,019,431	100%	943,328	100%	8%
Investment Properties	601,340	59%	545,075	58%	10%
Total Debt	389,920*	38%	366,658	39%	6%
Net Debt	358,674	35%	334,841	35%	7%
Total Equity	433,093	42%	396,197	42%	9%

*The increase in total debt includes P3.8 billion foreign exchange translation.

Financial Ratios	Dec 31 2024	Dec 31 2023
Current Ratio*	2.19	2.17
Acid Test Ratio*	1.18	1.09
Solvency Ratio	1.75	1.73
Debt to Equity	47 : 53	48 : 52
Net Debt to Equity	45 : 55	46 : 54
Return on Equity	11.0%	10.5%
Net Income Margin	33%	31%
Asset to Equity	2.35	2.38
Interest Coverage Ratio	5.90	5.31
Debt to EBITDA	4.75	4.95
Return on Investment Properties	9.7%	9.0%

*excluding loans payable and current portion of long-term debt due for refinancing

Revenues

SM Prime recorded consolidated revenues of ₱140.39 billion in 2024, an increase of 10% compared to ₱128.10 billion, primarily due to the following:

Rent

SM Prime recorded consolidated revenues from rent of ₱78.67 billion in 2024, a 9% increase from ₱72.11 billion. 85% is contributed by the malls while 15% is from offices and hotels and convention centers.

Real Estate Sales

SM Prime's real estate sales increased by 9% to ₱45.90 billion in 2024 from ₱42.04 billion due to sales take-up and construction accomplishment of ongoing projects, including Now Residences in Pampanga, Vail Residences in Cagayan de Oro, Gold Towers Residential-Offices in Parañaque, Glade Residences in Iloilo, and Calm Residences in Laguna.

Other Revenues

SM Prime's other revenues increased by 13% to ₱15.81 billion in 2024 from ₱13.94 billion. Other revenues include ice skating, bowling, amusement and recreation operations, sale of food and beverages in hotels, sponsorships and advertising revenues, and cinema and event ticket sales. Cinema improved due to high ticket sales from movies shown during the year, including Hello, Love, Again, Inside Out 2, Moana 2, Rewind, and Deadpool & Wolverine.

Costs and Expenses

SM Prime recorded consolidated costs and expenses of ₱72.35 billion in 2024, an increase of 8% from ₱66.82 billion, from operating expenses which include depreciation and amortization, taxes and licenses, marketing and selling expenses, utilities and manpower costs. Gross profit margin on real estate is 58% in 2024.

Other Income (Charges)

Interest, Dividend and Others - net

Interest, dividend and others - net increased to ₱2.74 billion in 2024 compared to ₱2.52 billion. This consists of interest income from cash and cash equivalents, dividend income from equity instruments, equity in net earnings from associates and joint ventures and foreign exchange gains and losses.

Provision for income tax

SM Prime's consolidated provision for income tax is at ₱10.30 billion in 2024 compared to ₱8.98 billion.

Net income attributable to Parent

SM Prime's net income attributable to Parent increased by 14% to ₱45.63 billion in 2024 compared to ₱40.01 billion.

Balance Sheet Accounts

SM Prime's total assets amounted to ₱1,019.43 billion and ₱943.33 billion as of December 31, 2024 and December 31, 2023, respectively. SM Prime's total assets surpassed ₱1 trillion, an 8% upturn.

Receivables and contract assets increased to ₱92.51 billion from ₱76.95 billion as of December 31, 2024 and December 31, 2023, respectively, mainly due to high take up of residential projects.

Derivative assets - net decreased to ₱4.72 billion from ₱5.25 billion as of December 31, 2024 and December 31, 2023, respectively, mainly due to net fair value changes on interest rate and foreign exchange swap transactions and maturities during the period.

Investment properties increased by 10% to ₱601.34 billion from ₱545.07 billion as of December 31, 2024 and December 31, 2023, respectively, primarily due to ongoing integrated property developments, new mall projects and redevelopment of existing malls, and construction of commercial projects, net of depreciation expense for the period.

Deferred tax asset - net increased to ₱1.63 billion from ₱1.49 billion as of December 31, 2024 and December 31, 2023, respectively. Deferred tax liabilities - net increased to ₱13.92 billion from ₱12.46 billion as of December 31, 2024 and December 31, 2023, respectively, mainly due to unrealized gross profit on sale of real estate for income tax purposes.

Interest-bearing debt which includes loans payable and long-term debt, increased by 6% to ₱389.92 billion from ₱366.66 billion as of December 31, 2024 and December 31, 2023, respectively, due to net availments for the period for integrated property developments and foreign exchange translation.

Accounts payable and other current liabilities increased by 5% to ₱103.79 billion from ₱99.08 billion as of December 31, 2024 and December 31, 2023, respectively, due to payables to contractors and suppliers related to ongoing projects.

Income tax payable increased to ₱1.61 billion from ₱1.30 billion as of December 31, 2024 and December 31, 2023, respectively, mainly due to tax provisions, net of payments for the year.

Tenants' and customers' deposits increased by 21% to ₱30.53 billion from ₱25.30 billion as of December 31, 2024 and December 31, 2023, respectively, and is attributable to the new malls and office building tenants.

Other noncurrent liabilities increased to ₱43.37 billion from ₱39.38 billion as of December 31, 2024 and December 31, 2023, respectively, due to increase in deferred output VAT related to sale of residential projects, retention payable, net of payments of liability for purchased land.

Cumulative translation adjustment increased to ₱3.14 billion from ₱2.56 billion as of December 31, 2024 and December 31, 2023, respectively, as a result of foreign exchange movement between periods.

Non-controlling interests increased to ₱3.15 billion from ₱2.69 billion as of December 31, 2024 and December 31, 2023, respectively, due to increase in net income attributable to non-controlling interests, net of dividends declared for the period.

The Company has no known direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation. There were no contingent liabilities or assets in the Company's balance sheet. The Company has no off-balance sheet transactions, arrangements, obligations during the reporting year as of balance sheet date.

As at December 31, 2024 and 2023, the retained earnings appropriated amounted to ₱100 billion and ₱42.20 billion, respectively, for planned construction projects and land banking activities. This represents a continuing appropriation to cover the Company's capital expenditures.

SM Prime currently has sixty-seven residential projects, forty-seven of which are in Metro Manila and twenty are outside Metro Manila.

As of December 31, 2024, SM Prime's malls business unit has eighty-seven shopping malls in the Philippines with 9.4 million square meters of gross floor area (GFA) and eight shopping malls in China with 1.7 million square meters of GFA. In 2024, the Company opened two new malls in the Philippines namely SM City Caloocan and SM City J Mall. These new malls, plus the expansion of the Company's existing malls, provided an addition of 0.2 million square meters of GFA.

SM Prime's Commercial Properties Group has twenty-two office buildings with a combined GFA of almost 1.6 million square meters.

SM Prime's hotels and convention centers business unit currently has a portfolio of ten hotels with over 2,600 rooms, six convention centers and two trade halls.



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of SM Prime Holdings, Inc. and Subsidiaries is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of SM Prime Holdings, Inc. and Subsidiaries in accordance with the Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

HENRY T. SY, JR. | Chairman

JEFFREY C. LIM | President

JOHN NAI PENG C. ONG | Chief Finance Officer

Signed this 17th of February, 2025

SM PRIME

MOA Square, Seashell Lane cor Coral Way,
Mall of Asia Complex, Pasay City 1300, Philippines

REPORT OF THE AUDIT COMMITTEE

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities to ensure the integrity and adequacy of the financial reporting process, the internal control system, the audit process, and compliance with pertinent laws, rules and regulations. The Committee likewise oversees special investigations as may be necessary and review its respective Charter annually.

In compliance with the Audit Charter, the Revised Manual on Corporate Governance and pertinent laws, rules and regulations, we confirm that:

- The Audit Committee is composed of four (4) members, namely, independent directors Mr. J. Carlitos G. Cruz and Atty. Darlene Marie B. Berberabe, and non-executive director Mr. Jorge T. Mendiola, and Committee Chairperson, Mr. Amando M. Tetangco, Jr., who is also an independent director.
- We met four (4) times in 2024 on the following dates: February 19, May 6, August 5 and November 11. All meetings registered 100% attendance of all members.
- Each member of the committee possesses adequate knowledge and competence in Finance and Accounting processes.

Profile/Qualifications of the Members of Audit Committee:

MR. AMANDO M. TETANGCO, JR. (Chairperson, Lead Independent Director) – Mr. Amando M. Tetangco, Jr. was elected as Vice Chairperson and Independent Director of the Board of Directors of SM Prime in April 2021. He is concurrently the Chairman of SM Investments Corporation, an Independent Director of Converge ICT Solutions, Inc. and Shell Pilipinas Corporation. He also currently holds directorships in Manila Hotel and Toyota Motor Philippines. He is also a trustee of St. Luke's Medical Center, Tan Yan Kee Foundation and Foundation for Liberty and Prosperity. He is also a member of the international advisory board of the Graduate Institute for Policy Studies in Tokyo, Japan and the Asia School of Business in Kuala Lumpur, Malaysia.

Mr. Tetangco was the third Governor of the Bangko Sentral ng Pilipinas (BSP) and Chairman of the Monetary Board, and served for two consecutive 6-year terms from July 2005 to July 2017. He was a career central banker for over four decades, having joined the Central Bank of the Philippines on 25 March 1974. During his term as Governor, he held other government positions, such as the Chairman of the Anti-Money Laundering Council, the Financial Stability Coordination Council, and the Philippine International Convention Center. He was also Vice-Chair of the Agriculture Credit Policy Council; and a member of the Capital Markets Development Council and the Export Development Council. Prior to his first appointment as Governor in 2005, he was Deputy Governor in charge of the Banking Services Sector, Economic Research and Treasury of the BSP. He also was the Alternate Executive Director of the International Monetary Fund in Washington, D.C. from 1992 to 1994. Before joining the Central Bank, he worked at the Management Services Division of SGV and Co. in 1973-74.

Overseas, he was the country's representative to the ASEAN Central Bank Forum; the Executives' Meeting of East Asia and Pacific Central Banks; the South East Asia Central Banks; the South East Asia, New Zealand and Australia; and the Center for Latin American Monetary Studies. He was the Governor for the Philippines at the International Monetary Fund and the Alternate Governor at the World Bank and the Asian Development Bank. At the Bank for International Settlements, he was Chair of the Meeting of Small Open Economies. He also chaired various international committees -- the BIS Asian Consultative Council; the Financial Stability Board Regional Consultative Group for Asia; and the Alliance for Financial Inclusion Steering Committee.

He was conferred the Order of Lakandula with the Rank of Bayani by the President of the Philippines in 2009 and the Order of the Rising Sun, Gold and Silver Star by the Emperor of Japan in 2019. He also received multiple recognition by a number of international organizations as one of the best central bank governors and chosen as MAP Management Man of the Year in 2015. He was conferred the Honorary Degree of Doctorate in Management by the Asian Institute Management in 2023.

MR. J. CARLITOS G. CRUZ (Member, Independent Director) – Mr. J. Carlitos G. Cruz was elected as an Independent Director of the Board of Directors of SM Prime in April 2021. He is concurrently an independent director of

Transnational Diversified Group, Inc., Federal Land, Inc., Asialink Finance Corporation and related companies namely Global Dominion Financing Incorporated, South Asialink Finance Corporation, Global Cebuana Finance Inc., Cebuana Cycle Financing, Inc., AFC SME Finance Inc., Global SME Loans, Inc., Wisefund Finance Corp., Cycle Financing Corp., Surecycle Financing Corp., Cepat Kredit Financing, Inc., Forbes Lending Solutions Corporation and Annapolis Finance, Inc. and MarcoPay and its subsidiaries such as MCP Finance, Inc. and MCP Insurance Management and Agency, Inc., and an independent trustee of the MPIC Beneficial Trust Fund. He is also an independent director of Vivant Corporation which is a listed company. He is also a member of the Makati Business Club, Inc. and Management Association of the Philippines. Mr. Cruz joined SGV and Co. (EY Philippines) in 1981 and was admitted to the partnership in 1995. He was later on appointed Chairman and Managing Partner in 2017 until 2019. Concurrent with his role as SGV Chairman and Managing Partner, he was also Chairman and President of the SGV Foundation. He also became President of Association of Certified Public Accountants in Public Practice (ACPAPP) in 2017, and in 2018, assumed the presidency of the ACPAPP Foundation. Mr. Cruz has also been active in supporting the Government's efforts to promote business and trade by participating in Presidential business delegations to various countries, including Thailand during the terms of President Joseph Estrada, President Cory Aquino and President Rodrigo Duterte; Europe and Japan during the term of President Benigno Aquino III; and Russia during the term of President Rodrigo Duterte. Mr. Cruz graduated from the University of Santo Tomas with a Bachelor of Science in Commerce degree and is a Certified Public Accountant (CPA). He completed the Advanced Management Program of the Harvard Business School in 2007. He has been conferred with numerous awards, including the "Parangal San Mateo" from the Philippine Institute of Certified Public Accountants. The award is the highest honor given to a CPA in honor of his significant contributions to the accountancy profession. He was also conferred by the Philippine Regulatory Board of Accountancy as a recipient of the Accounting Centenary Award of Excellence given to the 100 most notable CPAs in Philippine Accounting history.

ATTY. DARLENE MARIE B. BERBERABE – (Member, Independent Director) – Atty. Darlene Marie B. Berberabe was elected as an Independent Director of the Board of Directors of SM Prime in April 2021. She is a lawyer, management consultant, and academic. She is the Dean of the University of the Philippines (UP) College of Law and holds directorates in Joy-Nostalg Solaris Inc., Palm Concepcion Power Corporation, PA Alvarez, Katapult Digital and UnionDigital Bank. She is also a faculty member of the Philippine Judicial Academy. She is also elected to the Board of Trustees of The Outstanding Women in Nation Service, Philippine Heart Association and UP Law Alumni Foundation.

She was an associate lawyer in Quisumbing Torres Law Firm with specialization on labor law. Post law firm, she joined Procter & Gamble Philippines where she was a Senior Counsel and member of the Leadership Team. In 2010, she was appointed by the President of the Republic of the Philippines as the CEO of Pag-IBIG Fund. She was a recipient of a number of awards including Outstanding CEO in Asia by the ADFIAP, Outstanding CEO in the public sector by Asia CEO, one of the The Outstanding Women in Nation Service in 2013, and one of the 100 Most Influential Filipino Women in 2014.

She graduated with a degree in Philosophy from UP, summa cum laude and class valedictorian of the College of Social Sciences and Philosophy in 1989. She was the first female Philosophy instructor in the same school where she taught for 10 years, and has a Masters in Philosophy. She was a working student and graduated salutatorian of her class in UP Law in 1999.

MR. JORGE T. MENDIOLA (Member, Non-Executive Director) – Mr. Jorge T. Mendiola has been a director of SM Prime since 2012. He is also currently a Director of SM Retail, Inc. He started his career with The SM Store as a Special Assistant to the Senior Branch Manager in 1989 and rose to become its President in 2011. He is also currently one of the Directors of the Philippine Retailers Association. He received his Master's degree in Business Management from the Asian Institute of Management. He holds an A.B. Economics degree from Ateneo de Manila University.

- We have reviewed and approved the following with regard to our independent auditor, SGV & Co., and our Internal Auditor:

Their respective audit plans, scope, risk-based methods and timetables;

Their assessment of internal controls, including controls over financial reporting; and

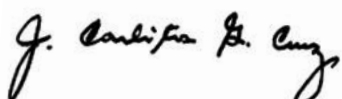
The results of their examinations and Management's action plans to address pending audit issues;

- We have received and reviewed the report of SGV & Co. on significant audit matters, changes in accounting principles and relevant pending tax legislations, which could impact SM Prime;
- We have reviewed and approved the results of all audit services provided by SGV & Co. and related audit fees;
- We have met independently with SGV & Co. to ensure that proper checks and balances are in place within the corporation;
- We have reviewed the internal control system of the Company based on the assessments completed and reported by internal and external auditors and found that the system is adequate and effective;
- We have discussed with SGV & Co. matters required to be discussed by prevailing applicable Philippine Auditing Standards, received written disclosures and the management letter from SGV & Co., as required by prevailing applicable Independence Standards, and discussed with SGV & Co. its independence;
- We have reviewed the financial statements of SM Prime Holdings, Inc. for the first quarter ended March 31, 2024, second quarter ended June 30, 2024, and third quarter ended September 30, 2024;
- After thorough review and discussion, and subject to the limitations on the Committee's roles and responsibilities, we recommended for Board approval, and the Board approved, the audited financial statements of SM Prime Holdings, Inc. for the year ended December 31, 2024; and
- We have reviewed and discussed the performance, independence and qualifications of the independent auditor, SGV & Co., in the conduct of its audit of the financial statements of SM Prime Holdings, Inc. for the year 2024. Based on the review of their performance and qualifications, the Committee also recommends the re-appointment of SGV & Co. as external auditors for 2025.



AMANDO M. TETANGCO, JR.

Chairperson



J. CARLITOS G. CRUZ

Member



DARLENE M. BERBERABE

Member



JORGE T. MENDIOLA

Member

“

I really have fun on the job. I do root cause analysis, and I pick the brains of more experienced colleagues and leaders who are eager to share their knowledge. At the end of the day, **my goal is to help my colleagues and make life easier for our stakeholders.**

BENZ





SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors SM Prime Holdings, Inc.
7/F MOA Square
Seashell Lane cor. Coral Way
Mall of Asia Complex
Brgy. 76 Zone 10, CBP 1-A, Pasay City
Metro Manila, Philippines

Opinion

We have audited the consolidated financial statements of SM Prime Holdings, Inc. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Real Estate Revenue and Cost Recognition

The Company's real estate revenue recognition process, policies and procedures are significant to our audit because these involve application of significant judgment and estimation in the following areas: (1) assessment of the probability that the entity will collect the consideration from the buyer; (2) determination of the transaction price; (3) application of the output method as the measure of progress in determining revenue from sale of real estate; (4) determination of the actual costs incurred as cost of real estate sold; and (5) recognition of cost to obtain a contract.



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In evaluating whether collectability of the amount of consideration is probable, the Company considers the significance of the buyer's initial payments in relation to the total contract price (or buyer's equity). Collectability is also assessed by considering factors such as history with the buyer, age of the outstanding receivables and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs if it would still support its current threshold of buyer's equity before commencing revenue recognition.

In determining the transaction price, the Company considers whether the selling price of the real estate property includes significant financing component.

In measuring the progress of its performance obligation over time, the Company uses the output method. This method measures progress of work based on physical proportion of work done, including the impact of customized uninstalled materials, on the real estate project which requires technical determination by the Company's project engineers. This is based on the monthly project accomplishment report prepared by the third-party project managers as approved by the construction managers.

In determining the actual costs incurred to be recognized as cost of real estate sold, the Company estimates costs incurred on materials, labor and overhead which include costs that were incurred but not yet billed by the contractor.

The Company identifies sales commissions after contract inception as cost of obtaining a contract. For contracts which qualified for revenue recognition, the related sales commissions are amortized consistent with the revenue recognition.

The disclosures related to the Company's revenue recognition are included in Note 3 to the consolidated financial statements.

Audit Response

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents such as notice of sales cancellation.

For the determination of the transaction price of real estate sale, we obtained an understanding of the Company's process in the determination of the population of contracts with customers related to real estate sale and election of available practical expedient. We obtained the financing component calculation of management which includes an analysis whether the financing component of the Company's contract with customers is significant. We selected sample contracts from the sales contract database and traced these selected contracts to the calculation prepared by management. For these selected contracts, we traced the underlying data and assumptions used in the financing component calculation such as the contract price, cash discount, payment scheme, payment amortization table, and percentage of completion to the contract provision and projected percentage of completion schedule. We evaluated the Company's application of portfolio approach in the financing component calculation by understanding the rationale and basis of the parameters used (i.e., grouping of performance obligation based on percentage of completion, grouping of contracts based on payment scheme). We test computed the financing component of each portfolio as prepared by management.

For the application of the output method in determining revenue from sale of real estate, we obtained an understanding of the Company's processes for determining the percentage of completion (POC) and performed tests of the relevant controls. We inspected the certified POC reports prepared by the third-party project managers and assessed their competence, capabilities and objectivity by reference to their qualifications, experience and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries and inspected the supporting details of POC reports showing the completion of the major activities of the project construction.

For the cost of real estate sold, we obtained an understanding of the Company's cost accumulation process and performed test of controls. For selected projects, we traced costs accumulated, including those incurred but not yet billed costs, to supporting documents such as contractors billing invoices, certificates of progress acceptance, official receipts and accomplishment reports, among others.



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For the cost to obtain a contract, we selected sample contracts and agreed the basis for calculating the sales commissions, particularly (a) the percentage of commissions due against contracts with sales agents, (b) the total commissionable amount (e.g., net contract price) against the related contract to sell, and, (c) the POC against the POC used in recognizing the related revenue from sale of real estate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Juan Miguel P. Machuca.

SYCIP GORRES VELAYO & CO.


Juan Miguel P. Machuca
Partner

CPA Certificate No. 116998

Tax Identification No. 226-074-253

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-140-2024, February 28, 2024, valid until February 27, 2027

PTR No. 10465328, January 2, 2025, Makati City

February 17, 2025

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Amounts in Thousands)

	December 31	
	2024	2023
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 6, 19, 26 and 27)	P31,246,171	P31,816,802
Receivables and contract assets (Notes 7, 14, 19, 26 and 27)	92,506,904	76,952,202
Real estate inventories (Note 8)	76,927,527	77,886,781
Equity instruments at fair value through other comprehensive income (FVOCI) (Notes 9, 26 and 27)	794,433	747,840
Derivative assets (Notes 26 and 27)	780,087	2,247,073
Prepaid expenses and other current assets (Note 10)	28,426,708	27,804,930
Total Current Assets	230,681,830	217,455,628
Noncurrent Assets		
Equity instruments at FVOCI - net of current portion (Notes 9, 19, 26 and 27)	20,392,800	19,570,212
Investment properties (Notes 12, 17, 25 and 27)	601,339,921	545,074,746
Investments in associates and joint ventures (Note 13)	33,108,359	32,431,195
Property and equipment (Notes 11)	1,493,295	1,554,990
Deferred tax assets - net (Note 24)	1,634,307	1,492,359
Derivative assets - net of current portion (Notes 26 and 27)	3,990,740	3,276,971
Other noncurrent assets (Notes 7, 14, 19, 23, 26 and 27)	126,789,478	122,471,474
Total Noncurrent Assets	788,748,900	725,871,947
	P1,019,430,730	P943,327,575
LIABILITIES AND EQUITY		
Current Liabilities		
Loans payable (Notes 15, 26 and 27)	P17,312,356	P4,288,964
Accounts payable and other current liabilities (Notes 16, 19, 26 and 27)	103,788,961	99,084,851
Current portion of long-term debt (Notes 17, 19, 26 and 27)	89,287,442	67,746,351
Income tax payable	1,606,324	1,295,842
Total Current Liabilities	211,995,083	172,416,008
Noncurrent Liabilities		
Long-term debt - net of current portion (Notes 17, 19, 26 and 27)	283,320,341	294,622,256
Tenants' and customers' deposits - net of current portion (Notes 16, 25, 26 and 27)	30,528,879	25,301,504
Deferred tax liabilities - net (Note 24)	13,923,287	12,458,096
Derivative liabilities - net of current portion (Notes 26 and 27)	50,447	265,013
Other noncurrent liabilities (Notes 16, 23, 26 and 27)	43,372,203	39,377,662
Total Noncurrent Liabilities	371,195,157	372,024,531
Total Liabilities	583,190,240	544,440,539

(forward)

	December 31	
	2024	2023
Equity Attributable to Equity Holders of the Parent		
Capital stock (Notes 18 and 28)	P33,166,300	P33,166,300
Additional paid-in capital - net (Notes 5 and 18)	38,164,173	38,159,900
Cumulative translation adjustment	3,135,756	2,556,139
Net fair value changes of equity instruments at FVOCI (Note 9)	17,807,766	16,938,503
Net fair value changes on cash flow hedges (Note 27)	604,031	1,079,094
Remeasurement loss on defined benefit obligation (Note 23) - net	(792,229)	(1,062,437)
Retained earnings (Note 18):		
Appropriated	100,000,000	42,200,000
Unappropriated	243,991,970	266,143,815
Treasury stock (Notes 18 and 28)	(2,984,695)	(2,984,695)
Total Equity Attributable to Equity Holders of the Parent	433,093,072	396,196,619
Non controlling Interests	3,147,418	2,690,417
Total Equity	436,240,490	398,887,036
	P1,019,430,730	P943,327,575

See accompanying Notes to Consolidated Financial Statements.

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Per Share Data)

	Years Ended December 31		
	2024	2023	2022
REVENUE			
Rent (Notes 12, 19 and 25)	P78,673,921	P72,113,957	P58,243,913
Real estate sales	45,904,595	42,040,409	39,046,514
Others (Notes 19 and 20)	15,812,356	13,943,175	8,495,208
	140,390,872	128,097,541	105,785,635
COSTS AND EXPENSES (Notes 19, 21 and 23)	72,353,754	66,818,300	56,542,322
INCOME FROM OPERATIONS	68,037,118	61,279,241	49,243,313
OTHER INCOME (CHARGES)			
Interest expense (Notes 7, 15, 17, 19, 22, 26 and 27)	(13,934,024)	(13,963,271)	(11,465,787)
Interest and dividend income (Notes 6, 7, 9, 14, 19 and 22)	2,228,723	2,185,156	1,775,740
Others - net (Notes 11, 12, 13, 16 and 17)	510,648	338,693	(839,262)
	(11,194,653)	(11,439,422)	(10,529,309)
INCOME BEFORE INCOME TAX	56,842,465	49,839,819	38,714,004
PROVISION FOR INCOME TAX (Note 24)			
Current	9,034,395	8,211,259	6,783,913
Deferred	1,268,634	764,715	1,186,962
	10,303,029	8,975,974	7,970,875
NET INCOME	P46,539,436	P40,863,845	P30,743,129
Attributable to:			
Equity holders of the Parent (Notes 18 and 28)	P45,631,764	P40,010,501	P30,099,799
Non-controlling interests (Note 18)	907,672	853,344	643,330
	P46,539,436	P40,863,845	P30,743,129
Basic/Diluted earnings per share (Note 28)	P1.581	P1.387	P1.043
Dividend per share (Note 18)	P0.346	P0.237	P0.097

See accompanying Notes to Consolidated Financial Statements.

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
NET INCOME	P46,539,436	P40,863,845	P30,743,129
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will not be reclassified to profit or loss in subsequent periods:			
Unrealized gain (loss) due to changes in fair value of financial assets at fair value through other comprehensive income (Note 9)	869,974	2,705,989	(475,854)
Remeasurement gain (loss) on defined benefit obligation (Note 23)	272,552	(134,611)	(383,448)
	1,142,526	2,571,378	(859,302)
Items that may be reclassified to profit or loss in subsequent periods:			
Cumulative translation adjustment	579,617	(879,032)	351,987
Net fair value changes on cash flow hedges (Note 27)	(475,063)	(1,905,511)	3,417,488
	1,247,080	(213,165)	2,910,173
TOTAL COMPREHENSIVE INCOME	P47,786,516	P40,650,680	P33,653,302
Attributable to:			
Equity holders of the Parent (Notes 18)	P46,876,500	P39,798,392	P33,013,181
Non-controlling interests	910,016	852,288	640,121
	P47,786,516	P40,650,680	P33,653,302

See accompanying Notes to Consolidated Financial Statements.

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

(Amounts in Thousands)

	Equity Attributable to			
	Capital Stock (Notes 18 and 28)	Additional Paid-in Capital - Net (Notes 5 and 18)	Cumulative Translation Adjustment	Net fair value changes of equity instruments at fair value through other comprehensive income (FVOCI) (Note 9)
At January 1, 2024	P33,166,300	P38,159,900	P2,556,139	P16,938,503
Net income for the year	—	—	—	—
Other comprehensive income (loss)	—	—	579,617	869,974
Total comprehensive income (loss) for the year	—	—	579,617	869,974
Cash dividends (Note 18)	—	—	—	—
Cash dividends received by a subsidiary (Note 18)	—	—	—	—
Cash dividends received by non-controlling interests	—	—	—	—
Net fair value changes of equity instruments at FVOCI reclassified to retained earnings	—	—	—	(711)
Reversal of appropriation	—	—	—	—
Appropriation during the year	—	—	—	—
Sale of non-controlling interest (Note 18)	—	4,273	—	—
At December 31, 2024	P33,166,300	P38,164,173	P3,135,756	P17,807,766
At January 1, 2023	P33,166,300	P38,124,193	P3,435,171	P14,232,514
Net income for the year	—	—	—	—
Other comprehensive income (loss)	—	—	(879,032)	2,705,989
Total comprehensive income (loss) for the year	—	—	(879,032)	2,705,989
Cash dividends (Note 18)	—	—	—	—
Cash dividends received by a subsidiary (Note 18)	—	—	—	—
Cash dividends received by non-controlling interests	—	—	—	—
Additional investment of non-controlling interest (Note 2)	—	—	—	—
Sale of non-controlling interest (Note 18)	—	35,707	—	—
At December 31, 2023	P33,166,300	P38,159,900	P2,556,139	P16,938,503
At January 1, 2022, as previously presented	P33,166,300	P38,056,016	P3,083,184	P14,708,368
Effect of common control business combinations (Note 5)	—	44,330	—	—
At January 1, 2022, as adjusted	33,166,300	38,100,346	3,083,184	14,708,368
Net income for the year	—	—	—	—
Other comprehensive income (loss)	—	—	351,987	(475,854)
Total comprehensive income (loss) for the year	—	—	351,987	(475,854)
Cash dividends (Note 18)	—	—	—	—
Cash dividends received by a subsidiary (Note 18)	—	—	—	—
Cash dividends received by non-controlling interests	—	—	—	—
Sale of non-controlling interest (Note 18)	—	23,847	—	—
At December 31, 2022	P33,166,300	P38,124,193	P3,435,171	P14,232,514

See accompanying Notes to Consolidated Financial Statements.

Equity Holders of the Parent

Net Fair Value Changes on Cash Flow Hedges (Note 27)	Remeasurement Gain (Loss) on Defined Benefit Obligation - net (Note 23)	Retained Earnings (Note 18)		Treasury Stock (Notes 18 and 28)	Total	Non- controlling Interests (Note 18)	Total Equity
		Appropriated	Unappropriated				
P1,079,094	(P1,062,437)	P42,200,000	P266,143,815	(P2,984,695)	P396,196,619	P2,690,417	P398,887,036
-	-	-	45,631,764	-	45,631,764	907,672	46,539,436
(475,063)	(270,208)	-	-	-	1,244,736	2,344	1,247,080
(475,063)	(270,208)	-	45,631,764	-	46,876,500	910,016	47,786,516
-	-	-	(9,992,214)	-	(9,992,214)	-	(9,992,214)
-	-	-	7,894	-	7,894	-	7,894
-	-	-	-	-	-	(454,430)	(454,430)
-	-	-	711	-	-	-	-
-	-	(42,200,000)	42,200,000	-	-	-	-
-	-	100,000,000	(100,000,000)	-	-	-	-
-	-	-	-	-	4,273	1,415	5,688
P604,031	(P792,229)	P100,000,000	P243,991,970	(P2,984,695)	P433,093,072	P3,147,418	P436,240,490
P2,984,605	(P928,882)	P42,200,000	P232,972,284	(P2,984,695)	P363,201,490	P1,950,116	P365,151,606
-	-	-	40,010,501	-	40,010,501	853,344	40,863,845
(1,905,511)	(133,555)	-	-	-	(212,109)	(1,056)	(213,165)
(1,905,511)	(133,555)	-	40,010,501	-	39,798,392	852,288	40,650,680
-	-	-	(6,844,378)	-	(6,844,378)	-	(6,844,378)
-	-	-	5,408	-	5,408	-	5,408
-	-	-	-	-	-	(324,450)	(324,450)
-	-	-	-	-	-	201,000	201,000
-	-	-	-	-	35,707	11,463	47,170
P1,079,094	(P1,062,437)	P42,200,000	P266,143,815	(P2,984,695)	P396,196,619	P2,690,417	P398,887,036
(P432,883)	(P548,643)	P42,200,000	P205,671,557	(P2,984,695)	P332,919,204	P1,441,569	P334,360,773
-	-	-	-	-	44,330	3,277	47,607
(432,883)	(548,643)	42,200,000	205,671,557	(2,984,695)	332,963,534	1,444,846	334,408,380
-	-	-	30,099,799	-	30,099,799	643,330	30,743,129
3,417,488	(380,239)	-	-	-	2,913,382	(3,209)	2,910,173
3,417,488	(380,239)	-	30,099,799	-	33,013,181	640,121	33,653,302
-	-	-	(2,801,286)	-	(2,801,286)	-	(2,801,286)
-	-	-	2,214	-	2,214	-	2,214
-	-	-	-	-	-	(144,050)	(144,050)
-	-	-	-	-	23,847	9,199	33,046
P2,984,605	(P928,882)	P42,200,000	P232,972,284	(P2,984,695)	P363,201,490	P1,950,116	P365,151,606

SM PRIME HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

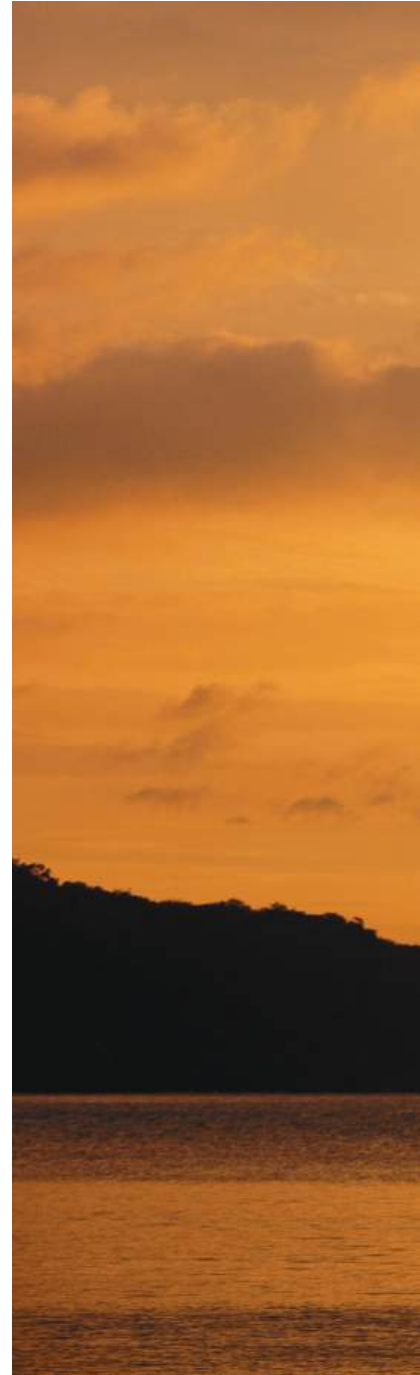
(Amounts in Thousands)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	P56,842,465	P49,839,819	P38,714,004
Adjustments for:			
Depreciation and amortization (Notes 11, 12, 21 and 25)	15,037,788	13,656,773	12,487,763
Interest expense (Notes 7, 15, 17, 19 and 22)	13,934,024	13,963,271	11,465,787
Interest and dividend income (Notes 6, 7, 9, 14, 19 and 22)	(2,228,723)	(2,185,156)	(1,775,740)
Equity in net earnings of associates and joint ventures (Note 13)	(2,043,010)	(2,162,611)	(1,720,116)
Loss (gain) on:			
Disposals of investment properties and retirement of property and equipment (Notes 11 and 12)	(24,566)	148,140	105,701
Unrealized foreign exchange and fair value changes on derivatives - net	417,027	76,370	826,854
Operating income before working capital changes	81,935,015	73,336,606	60,104,253
Decrease (Increase) in:			
Receivables and contract assets	(23,886,248)	(16,337,056)	(8,760,236)
Real estate inventories	1,117,977	(5,437,721)	(12,462,748)
Prepaid expenses and other current assets	(1,684,842)	(2,068,144)	(762,618)
Increase in:			
Accounts payable and other liabilities	13,338,858	19,253,318	1,830,216
Tenants' and customers' deposits	5,194,630	1,573,478	2,328,183
Cash generated from operations	76,015,390	70,320,487	42,277,050
Income tax paid	(8,726,437)	(7,665,012)	(6,583,777)
Net cash provided by operating activities	67,288,953	62,655,469	35,693,273
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,595,754	1,922,233	1,197,311
Dividends received from investments at FVOCI and in associates joint ventures	1,960,828	724,446	596,672
Proceeds from disposal of investment properties	464,443	90,067	85,767
Additions to:			
Investment properties (Note 12)	(69,571,345)	(63,772,055)	(38,766,369)
Property and equipment (Note 11)	(154,288)	(341,106)	(198,012)
Decrease (Increase) in other noncurrent assets	1,150,456	(5,338,058)	(15,159,670)
Net cash used in investing activities	(64,554,152)	(66,714,473)	(52,244,301)

(forward)

	Years Ended December 31		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Availments of bank loans and long-term debt (Notes 15 and 17)	P165,601,237	₱111,562,913	₱94,325,945
Payments of:			
Long-term debt (Note 17)	(72,198,246)	(66,701,374)	(43,863,022)
Loans Payable (Note 15)	(73,673,067)	(29,563,823)	(19,994,859)
Interest	(14,086,273)	(13,782,271)	(11,029,498)
Dividends (Note 18)	(10,438,750)	(7,163,420)	(2,943,122)
Lease liabilities (Notes 16)	(897,760)	(874,140)	(844,353)
Proceeds from matured derivatives - net	2,396,042	294,800	3,274,591
Net cash provided by (used in) financing activities	(3,296,817)	(6,227,315)	18,925,682
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(8,615)	43,039	(90,424)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(570,631)	(10,243,280)	2,284,230
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	31,816,802	42,060,082	39,775,852
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱31,246,171	₱31,816,802	₱42,060,082

See accompanying Notes to Consolidated Financial Statements.





ASSURANCE AND ESG REFERENCES



EXTERNAL ASSURANCE REPORT, **148**



GRI CONTENT INDEX, **154**



ESG DATA TABLES, **160**



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INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

The Stockholders and the Board of Directors
SM Prime Holdings, Inc.
7/F MOA Square, Seashell Lane corner Coral Way,
Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A, 1300,
Pasay City, Metro Manila, Philippines

Scope

We have been engaged by SM Prime Holdings, Inc. (SMPH or the "Company") to perform a 'limited assurance engagement' as defined by the Philippine Standards on Assurance Engagements 3000 (Revised) [PSAE 3000 (Revised)], *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, here after referred to as the engagement, to report on SMPH's selected sustainability information detailed below (the "Subject Matter") contained SMPH's 2024 Integrated Report for the year ended December 31, 2024 (the "Report").

Subject Matter

The Subject Matter includes the following selected sustainability information which are covered in our limited assurance engagement:

General

1. General Disclosures

- 2-1 (2021): Organizational details
- 2-2 (2021): Entities included in the organization's sustainability reporting
- 2-3 (2021): Reporting period, frequency and contact point
- 2-4 (2021): Restatements of information
- 2-5 (2021): External assurance
- 2-6 (2021): Activities, value chain and other business relationships
- 2-7 (2021): Employees (*for Philippine operations*)
- 2-9 (2021): Governance structure and composition
- 2-10 (2021): Nomination and selection of the highest governance body
- 2-11 (2021): Chair of the highest governance body
- 2-12 (2021): Role of the highest governance body in overseeing the management of impacts
- 2-13 (2021): Delegation of responsibility for managing impacts
- 2-14 (2021): Role of the highest governance body in sustainability reporting
- 2-15 (2021): Conflicts of interest
- 2-16 (2021): Communication of critical concerns
- 2-17 (2021): Collective knowledge of the highest governance body
- 2-18 (2021): Evaluation of the performance of the highest governance body
- 2-19 (2021): Remuneration policies
- 2-20 (2021): Process to determine remuneration
- 2-22 (2021): Statement on sustainable development strategy
- 2-23 (2021): Policy commitments
- 2-24 (2021): Embedding policy commitments
- 2-25 (2021): Processes to remediate negative impacts
- 2-26 (2021): Mechanisms for seeking advice and raising concerns
- 2-27 (2021): Compliance with laws and regulations



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- 2-28 (2021): Membership associations
- 2-29 (2021): Approach to stakeholder engagement

Material Topic

2. Material Topic Disclosures

- 3-1 (2021): Process to determine material topics
- 3-2 (2021): List of material topics
- 3-3 (2021): Management of material topics

Economic

3. Economic Performance

- 201-1 (2016): Direct economic value generated and distributed
- 201-2 (2016): Financial implications and other risks and opportunities due to climate change

4. Indirect Economic Impacts

- 203-1 (2016): Infrastructure investments and services supported
- 203-2 (2016): Significant indirect economic impacts

5. Anti-corruption

- 205-1 (2016): Operations assessed for risks related to corruption
- 205-2 (2016): Communication and training about anti-corruption policies and procedures
- 205-3 (2016): Confirmed incidents of corruption and actions taken

6. Anti-competitive behavior

- 206-1 (2016): Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

Environmental

7. Energy

- 302-1 (2016): Energy consumption within the organization
- 302-3 (2016): Energy intensity (*Electricity within the organization*)

8. Water and effluents

- 303-2 (2018): Management of water discharge-related impacts
- 303-4 (2018): Water discharge

9. Waste

- 306-1 (2020): Waste generation and significant waste-related impacts
- 306-2 (2020): Management of significant waste-related impacts



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Social

10. Employment

- 401-1 (2016): New employee hires and employee turnover (*For Philippine operations*)

11. Occupational Health and Safety

- 403-1 (2018): Occupational health and safety management system
- 403-3 (2018): Occupational health services
- 403-4 (2018): Worker participation, consultation, and communication on occupational health and safety
- 403-6 (2018): Promotion of worker health
- 403-7 (2018): Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

12. Training and Education

- 404-1 (2016): Average hours of training per year per employee (*For Philippine operations*)
- 404-2 (2016): Programs for upgrading employee skills and transition assistance programs
- 404-3 (2016): Percentage of employees receiving regular performance and career development reviews (*For SM PRIME HQ, Philippine Malls, EDD and SMDC operations*)

13. Diversity and Equal Opportunity

- 405-1 (2016): Diversity of governance bodies and employees (*For Philippine operations*)

14. Non-Discrimination

- 406-1 (2016): Incidents of discrimination and corrective actions taken

15. Security Patches

- 410-1 (2016): Security personnel trained in human rights policies or procedures

16. Local Communities

- 413-1 (2016): Operations with local community engagement, impact assessments, and development programs
- 413-2 (2016): Operations with significant actual and potential negative impacts on local communities

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.



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Criteria applied by SMPH

In preparing the Subject Matter, SMPH applied the criteria for reporting with reference to the Global Reporting Initiative (GRI) Standards (the “Criteria”).

SMPH’s Responsibilities

SMPH’s management is responsible for selecting the Criteria, and for presenting the Subject Matter with reference to that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

SGV’s Responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the PSAE 3000 (Revised), and the terms of reference for this engagement as agreed with SMPH on 3 October 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Professional Regulation Commission, and have the required competencies and experience to conduct this assurance engagement.

SGV also applies Philippine Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, and Other Assurance and Related Services engagements*, and accordingly maintains a comprehensive system of quality control including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.



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Our procedures included:

1. Interview the management and relevant process owners to:
 - a. Understand the principal business operations,
 - b. Understand the key sustainability issues and developments related to the Subject Matter.
 - c. Understand the processes for the collection, processing, and accurate reporting of sustainability information.
2. Checking the accuracy of calculations performed
3. Performing analytical tests and obtaining documentation/reports on a sampling basis to test assumptions, estimations, and computations made by management in relation to the Subject Matter in the Report.
4. Testing that the data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report.
5. Reviewing the disclosure contents of the Report to check compliance with the requirements of the Criteria.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31 December 2024, in order for it to be in reference with the Criteria.

SYCIP GORRES VELAYO & CO.

Benjamin N. Villacorte
Partner

CPA Certificate No. 111562

PTR No. 10465403, January 2, 2025, Makati City

25 April 2025

“

- **Being a dad drives you to want to build a better product. It plays a big role in how we design and plan everything.** You check: ‘Are the pedestrian walkways wide enough? How will they grow up? How does the master-planning affect the schools? What’s good for them in the future?’ It’s beyond words and its very fulfilling.

LUKE



GRI CONTENT INDEX

Statement of use SM Prime has reported the information cited in this GRI content index for the period January 1, 2024 to December 31, 2024 with reference to the GRI Standards.

GRI 1 Used GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	7-9
	2-2 Entities included in the organization's sustainability reporting	7-9
	2-3 Reporting period, frequency and contact point	7-9
	2-4 Restatements of information	121
	2-5 External assurance	134
	2-6 Activities, value chain and other business relationships	94-95
	2-7 Employees	25, 116-121
	2-8 Workers who are not employees	121
	2-9 Governance structure and composition	54-59
	2-10 Nomination and selection of the highest governance body	67
	2-11 Chair of the highest governance body	55-67
	2-12 Role of the highest governance body in overseeing the management of impacts	55-67, 73
	2-13 Delegation of responsibility for managing impacts	55
	2-14 Role of the highest governance body in sustainability reporting	55-67
	2-15 Conflicts of interest	59, 68-69
	2-16 Communication of critical concerns	70, 76-85, 96-107
	2-17 Collective knowledge of the highest governance body	60, 62-65, 86-91
	2-18 Evaluation of the performance of the highest governance body	59-60
	2-19 Remuneration policies	59
	2-20 Process to determine remuneration	59
	2-21 Annual total compensation ratio	117
	2-22 Statement on sustainable development strategy	94-95
	2-23 Policy commitments	68-72, 108

GRI STANDARD		DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments	68-72, 108
	2-25	Processes to remediate negative impacts	70, 74, 96-107
	2-26	Mechanisms for seeking advice and raising concerns	70, 74, 96-107
	2-27	Compliance with laws and regulations	68, 72
	2-28	Membership associations	Batangas Industrial Security Alliance Xiamen Huli District Retail Commerce Association International Association of Venue Management Cebu Country Club Inc. Independent Insight Inc. PICPA MMR Management Association of the Philippines People Management Association of the Philippines Employers Confederation of the Philippines Internet and Mobile Marketing Association of the Philippines Philippine Association of National Advertisers Inc. Philippine Society for Talent Association of Human Resources Managers Negros Economic Development Foundation (for Food Waste Management) The Japanese Chamber of Commerce of Mindanao Inc. The American Chamber of Commerce of the Philippines Inc. European Chamber of Commerce of the Philippines Davao City Chamber of Commerce and Industry Inc. Davao HRSMA Inc. PhilGEPS Supplier Registry Tourism Promotions Board Davao Tourism Association Inc. Philippine Tour Operators Association European Chamber of Commerce of the Philippines Inc. The American Chamber of Commerce of the Philippines Inc. Tourism Promotions Board Philippines Hotel, Resort & Restaurant Association of Cebu, Inc. PhilGEPS Philippine Association of Convention/Exhibition Organizers and Suppliers Inc.

GRI STANDARD		DISCLOSURE	LOCATION
	2-28	Membership associations	Association of Certified Fraud Examiners Financial Executives Institute Good Governance Advocates and Practitioners of the Philippines Information Security Audit and Controls Association Institute of Internal Auditors Shareholders Association of the Philippines Inc. The Philippine Stock Exchange Inc. PICPA Membership Renewal HTS_MC Gold CC-US Green Build Council Membership People Management Association of the Philippines
	2-29	Approach to stakeholder engagement	96-107
	2-30	Collective bargaining agreements	SM Prime does not have a Collective Bargaining Agreement (CBA) in place but maintains open communication channels for employees to raise concerns regarding company policies and other relevant matters. This approach ensures constructive dialogue between employees and management.
GRI 3: Material Topics 2021	3-1	Process to determine material topics	94-96
	3-2	List of material topics	94-95
	3-3	Management of material topics	94-107
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	24-25
	201-2	Financial implications and other risks and opportunities due to climate change	112-115
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	14-51
	203-2	Significant indirect economic impacts	122-123
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	There are no operations assessed for risks related to corruption.
	205-2	Communication and training about anti-corruption policies and procedures	72
	205-3	Confirmed incidents of corruption and actions taken	There are no incidents of corruption.

GRI STANDARD		DISCLOSURE	LOCATION	
GRI 206-1: Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	72	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	109	
	302-2	Energy consumption outside of the organization	109	
	302-3	Energy intensity	Scope	Electricity Intensity
			Scope 2 / Within Organization	0.00779
			Scope 3 / Outside Organization	0.00638
302-4	Reduction of energy consumption	109-110		
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	111	
	303-3	Water withdrawal	111	
	303-4	Water discharge	111	
	303-5	Water consumption	111	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	112	
	304-2	Significant impacts of activities, products and services on biodiversity	112	
	304-3	Habitats protected or restored	112	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	110	
	305-2	Energy indirect (Scope 2) GHG emissions	110	
	305-3	Other indirect (Scope 3) GHG emissions	110	
	305-4	GHG emissions intensity	111	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	112	
	306-2	Management of significant waste-related impacts	112	
	306-3	Waste generated	112	
	306-4	Waste diverted from disposal	112	

GRI STANDARD		DISCLOSURE	LOCATION
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	70, 120
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	116-117
	401-3	Parental leave	149
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	82, 120-121
	403-3	Occupational health services	82, 120-121
	403-4	Worker participation, consultation, and communication on occupational health and safety	82, 120-121
	403-5	Worker training on occupational health and safety	120
	403-6	Promotion of worker health	120-121
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	82, 120-121
	403-8	Workers covered by an occupational health and safety management system	82, 120-121
	403-9	Work-related injuriesw	121
	403-10	Work-related ill health	121
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	119
	404-2	Programs for upgrading employee skills and transition assistance programs	119
	404-3	Percentage of employees receiving regular performance and career development reviews	12,602 employees (representing 91.67% of our workforce) underwent regular performance and career development reviews in 2024. This reflects our commitment to fostering employee growth, enhancing skills, and maintaining a culture of continuous improvement.
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	120
	405-2	Ratio of basic salary and remuneration of women to men	117

GRI STANDARD		DISCLOSURE	LOCATION
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	There are no incidents of discrimination and corrective actions taken.
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	72
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	103, 122-123
	413-2	Operations with significant actual and potential negative impacts on local communities	SM Prime is committed to fostering positive social and economic development in the communities where we operate. We proactively assess and mitigate any potential impacts, ensuring that our presence contributes to sustainable growth and shared prosperity.
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	120

ESG DATA TABLES

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (in Php MILLIONS)

	2024	2023	2022	2021
Economic value generated	144,663	132,445	109,281	84,528
Operating cost	56,229	52,828	45,559	35,063
Employee wages and benefits	11,272	10,313	8,769	7,110
Payments to providers of capital	24,373	21,127	14,409	11,853
Payments to government	15,161	13,515	11,442	7,959
Community investments	259	198	115	122

GHG EMISSIONS (in MTCO₂E)

	2024	2023	2022	2021
Scope 1	343,209.30	104,349.11	95,229.24	177,811.78
Scope 2	748,799.76	674,639.45	590,101.92	626,011.20
Scope 3	2,958,666.48	864,798.87	769,581.06	706,032.93

TOTAL FUEL CONSUMPTION (in LITER)

	2024	2023	2022	2021
Within the Organization	4,392,346.42	59,717,337.89	37,504,072.43	22,291,104.54
Outside the Organization	1,439,001,024.76	820.43	-	20,909,018.55

TOTAL REFRIGERANT CONSUMPTION (in kg)

	2024	2023	2022	2021
	207,979.48	4,715.82	24,679.55	103,105.48

TOTAL ELECTRICITY CONSUMPTION (in kWh)

	2024	2023	2022	2021
Within the Organization	1,126,783,032.59	1,747,426,573.03	868,089,261.84	819,774,612.61
Outside the Organization	923,223,859.39	189,047,512.55	812,513,356.88	618,864,437.32

TOTAL WATER WITHDRAWAL (in CUBIC METER)

	2024	2023	2022	2021
Third-party utility providers	17,944,425.46	17,293,066.40	15,181,074.13	11,821,398.69
Deepwell	-	0	363,528.49	363,528.49
Seawater	175,665.45	95,128.00	86,143.00	41,007.00
Water hauling	-	0	0	1,280,633.48
Rainwater harvesting	17,026.70			

TOTAL WATER DISCHARGE (in CUBIC METER)

	2024	2023	2022	2021
Third-party water utility/ destination	9,812,272.68	11,187,055.65	464,163.39	1,715,723.58
Surface water		213,615.20	4,795,484.19	2,705,845.79
Groundwater	893.00	-	1,443,827.23	350,288.49
Seawater	109,214.07	-	442,632.41	225,003.66

TOTAL RECYCLED WATER (IN CUBIC METER)

	2024	2023	2022	2021
	5,585,826.46	4,424,985.03	3,578,032.48	4,420,729.51

TOTAL WASTE GENERATED (in TONNE)

	2024	2023	2022	2021
Biodegradable	186,221.46	93,831.28	76,892.17	76,561.44
Recyclable	3,689.00	10,574.78	16,301.20	18,914.19
Residual	95,921.22	48,526.10	56,772.78	59,441.09
Hazardous Waste	4,573.04	4,384.91	1,774.86	1,185.33
Others	6,451.80	8,476.31	13,787.50	9,042.88

TOTAL WASTE DISPOSAL (in TONNE)

	2024	2023	2022	2021
Recycled	3,656.84	11,998.85	2,775.86	1,152.08
Disposed		-	49,770.50	41,832.89
Collected by Accredited Hauler	283,718.65	75,641.21	2,474.51	78,082.94
Others		5,077.34	7,069.10	5,676.37
Sent to Landfill	185.16			

EMPLOYEE PROFILE

	2024	2023	2022	2021
Total Headcount	13,747	12,927	11,329	9,654

EMPLOYEE HEADCOUNT (2024)

	BY GENDER		BY LEVEL			
	Male	Female	Rank-and-file	Junior Management	Middle Management	Senior Management
Head Office	203	116	61	87	146	25
Malls	4,847	3,439	2,992	3,528	1,745	21
SMDC	1,312	1,013	1,427	421	366	111
SMEDD	349	295	39	377	222	6
SMHCC	1,106	818	1,001	597	260	66
CPG	56	53	12	56	40	1
CDHI/HPI	82	58	34	44	59	3

	BY AGE		
	Below 30 years old	Between 30-50 years old	Above 50 years old
Head Office	104	179	36
Malls	3,626	4,381	279
SMDC	1,006	1,216	103
SMEDD	352	250	42
SMHCC	520	1,252	152
CPG	34	69	6
CDHI/HPI	37	82	21

NEW HIRES (2024)

	BY GENDER		BY AGE		
	Male	Female	Below 30 years old	Between 30-50 years old	Above 50 years old
Head Office	24	36	39	18	3
Malls	632	901	1,203	328	2
SMDC	292	332	415	204	5
SMEDD	41	75	95	19	2
SMHCC	160	143	151	138	14
CPG	11	12	16	7	0
CDHI/HPI	24	29	15	29	9

RESIGNATIONS (2024)

	BY GENDER		BY AGE		
	Male	Female	Below 30 years old	Between 30-50 years old	Above 50 years old
Head Office	9	21	23	5	2
Malls	515	717	778	435	19
SMDC	215	237	211	226	15
SMEDD	44	49	57	29	7
SMHCC	188	180	89	255	24
CPG	13	12	11	14	0
CDHI/HPI	6	6	2	10	0

TRAINING HOURS (2024)

Total Hours	466,193.38
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PARENTAL LEAVES (2024)

	MALE		
	Employees who availed parental leaves	Employees who returned to work after parental leave	Employees who remain employed by the company 12 months after their return from parental leave*
Total	138	137	105

	FEMALE		
	Employees who availed parental leaves	Employees who returned to work after parental leave	Employees who remain employed by the company 12 months after their return from parental leave*
Total	432	404	159

ACCESS OUR FULL SUITE OF DISCLOSURES



For the complete set of disclosures, including detailed insights on Value Creation and Sustainability, our Financial Reports and Assurance and ESG References, scan the QR code.

93 **VALUE CREATION AND SUSTAINABILITY**

125 **FINANCIAL REPORTS**

147 **ASSURANCE AND ESG REFERENCES**



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E: corpgovernance@smprime.com

Stockholder Inquiries

Inquiries regarding dividend payments, account status, change of address, stock certificates and other matters related to shareholder records may be addressed to the company's transfer agent:

BDO Unibank, Inc.

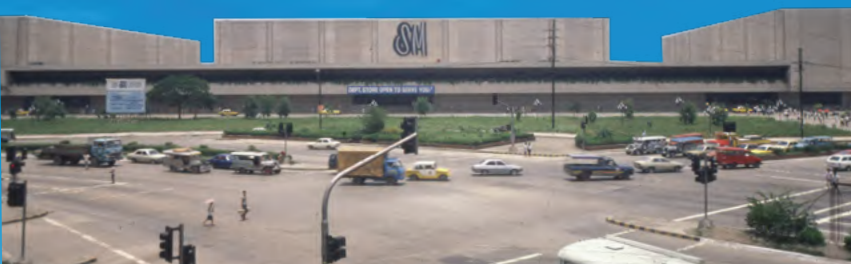
Trust And Investments Group
14th Floor BDO Towers Valero
8741 Paseo de Roxas, Makati City
T: (632) 8878-4964; (632) 8878-4965
E: bdo-stock-transfer@bdo.com.ph

External Auditor

SyCip Gorres Velayo & Co.

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SM North Edsa



2000s

Mezza Residences

