

Nature-Based Resilience

Nature-based resilience is integrated into SM Prime developments through green spaces, sustainable landscaping and conservation programs that support ecosystem health and community wellbeing.

The Company also maintains a 25-hectare mangrove conservation area and supports three Marine Protected Areas in partnership with the World Wide Fund for Nature (WWF). These initiatives strengthen coastal protection, enhance biodiversity and contribute to climate adaptation.

In 2025, SM Prime joined six other conglomerates in supporting the Department of Environment and Natural Resources' (DENR) "Forests for Life" program, a nationwide initiative to restore critical forest areas and strengthen climate resilience.

The program targets the planting of 10 million trees over the next three years—double its original goal—across priority and flood-prone areas, including Ilocos Norte, Rizal, Leyte, Bataan, Bukidnon and Lanao del Norte. It is projected to sequester approximately 6.5 million tons of carbon dioxide by 2038, supporting the Philippines' climate mitigation efforts.

Climate Governance and TCFD Alignment

SM Prime embedded climate considerations into governance and strategic planning in 2025, strengthening resilience across its portfolio. Climate-related disclosures were aligned with TCFD recommendations and IFRS S2 requirements, supported by Board oversight and a dedicated Sustainability Technical Working Group (TWG).

Governance. The Board and TWG conducted structured annual reviews of climate-related risks and opportunities. Climate training was provided to senior leadership, while scenario analysis was integrated into strategic planning and enterprise risk management.

Strategy. Climate risks and opportunities were incorporated into investment decisions. In 2025, the Company continued to invest in energy efficiency, renewable energy integration, water and waste management, and resilient infrastructure.

Risk Management. The enterprise risk management framework assessed both physical risks, including extreme weather events, water scarcity and natural disasters, and transition risks such as regulatory changes and evolving market expectations. These assessments informed strategic and operational decisions.

Metrics and Targets. Emissions targets were refined in collaboration with WWF-Philippines to strengthen alignment with global climate goals. Measurement and reporting frameworks were enhanced to support consistent tracking of performance and progress.

Human and Social Relationship Capital

Our human and social relationship capital reflects the competencies, diversity, health and motivation of our workforce.

These capabilities—across design and planning, engineering, property management, leasing, sales and marketing, and customer service—enable the Company to plan, build and operate integrated developments that deliver long-term value.

With operations across the Philippines and parts of China, SM Prime sustains a coordinated workforce that shares resources, practices and response capabilities across locations. This structure supports operational continuity, strengthens adaptability and enables consistent service delivery under varying local conditions.

Shared Purpose and Workforce Enablement

SM Prime aligns its workforce around a shared objective of delivering inclusive and sustainable developments. Employee programs focus on well-being, professional growth and long-term engagement.

The Company provides competitive compensation and benefits, including extended leave, healthcare coverage and employee discounts across SM retail and commercial establishments.

Workplace practices promote inclusivity, participation and collaboration, supported by work environments designed for knowledge exchange and productivity.

In line with the continued expansion of SM Prime, employee headcount increased to 14,191 in 2025, up by over 3% from 13,718 in 2024. Growth was recorded across both male and female employee groups, with women continuing to comprise the majority over the past three years.

Employee Headcount

Year	Male	Female	Total
2025	6,300	7,891	14,191
2024	6,056	7,662	13,718
2023	5,757	7,170	12,927

*Restatement from 2024 Integrated Report of 13,747 in total, 7,995 for male, 5,792 for female

The SM Prime workforce reflects a multi-generational profile, with employees aged 30 to 50 comprising the majority, followed by those below 30, and those aged over 50.

This composition underscores the Company’s sustained progress in maintaining a diverse workforce while scaling its talent base to support operational requirements and long-term development priorities.

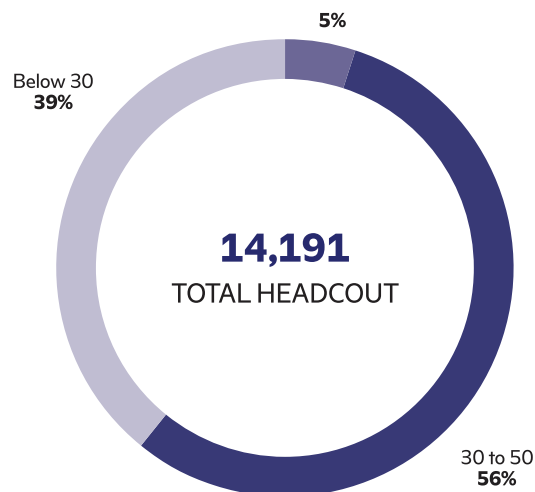
Talent Management, Acquisition and Retention

SM Prime applies a five-pillar human capital framework: Recruit Right, Perform Right, Develop Right, Reward Right and Engage Right. This structure aligns workforce capability with business requirements while supporting career mobility and employee engagement.

The SM Life Integration for Employees (SM Life) program serves as the primary platform for talent management and engagement, covering recruitment, performance, development, rewards and employee experience.

New Employee Hires

SM Prime applies a structured, data-driven approach to talent acquisition to support business priorities and organizational requirements.



Recruitment focuses on role fit, capability and long-term potential, supported by digital platforms, standardized processes and the use of executive search firms for highly specialized roles.

The Company monitors key metrics such as time-to-hire and quality-of-hire, while strengthening its pipeline through employer branding, early-career programs and inclusive hiring.

In 2025, the Company hired 2,837 employees, the majority of whom were female. The attrition rate stood at 16%, below the industry average of 18%, indicating stable retention.

New Hires

Year	Male	Female	Total
2025	1,244	1,593	2,837
2024	1,137	1,542	2,679
2023	1,706	2,110	3,816

Learning and Development

SM Prime invests in continuous learning to strengthen workforce readiness. Training programs focus on emerging capabilities, including data intelligence, artificial intelligence and productivity improvement.

Through the Digi-U eLearning platform, powered by LinkedIn Learning, employees access curated, on-demand courses for upskilling and reskilling. In 2025, the platform recorded a 90% engagement rate and an 83% utilization rate. Total training hours increased by 16% from the previous year or a total of 540,071 hours with an employee average of 38 hours in 2025.

Programs such as HR Link Up and internal learning sessions support knowledge sharing, leadership development and succession planning.

Training Hours

Year	Male	Female	Total
2025	237,909	302,162	540,071
2024	205,807	260,386	466,193
2023	172,700	215,087	387,787

The Company, in partnership with the Asian Institute of Management (AIM), implements an Executive Development Program to strengthen leadership capabilities, support strategic decision-making and align management practices with evolving business and sustainability priorities.

Aside from touching on leadership, behavioral, and technical courses, we also ensure roll-out of compliance courses beyond health and wellness. Among these are Anti Money Laundering Act, Data Privacy Act, Information Security, Sustainability and Code of Ethics.

Employee Engagement and Experience

Employee engagement is supported through structured and informal channels, including town halls, HR Circles, team interactions, volunteerism programs and company-wide activities. These initiatives strengthen alignment, reinforce organizational culture and support collaboration.

Digital platforms enhance access and efficiency. The SM Integrated Life Enablement (SMILE) system, powered by Darwinbox, streamlines HR processes, while the SM Life mobile application supports coaching, mentoring and peer recognition.

Diversity, Equity and Inclusion

SM Prime maintains workforce diversity across gender, geography and generations. Diversity, equity and inclusion are integrated into recruitment, compensation, development and workplace policies.

Many of SM Prime’s leaders trace their roots to the Visayas and Mindanao regions, while women represent 56% of the workforce. The Company supports the UN Women’s Empowerment Principles and complies with regulations that protect women and working parents.

Inclusive hiring extends to persons with disabilities through partnerships with organizations such as the Autism Society Philippines. Training programs support workplace readiness and awareness across conditions including autism, Down syndrome and Attention-Deficit/Hyperactivity Disorder (ADHD).

Policies on non-discrimination and workplace safety are enforced through training and reporting mechanisms, supporting a safe and inclusive work environment.

Pay parity is maintained across employee levels, with minimal variation in female-to-male salary ratios in 2025. This reflects the consistent application of compensation frameworks and disciplined governance over remuneration.



Salary Parity by Employee Level

Category	Average Female Salary: Average Male Salary		
	2025	2024	2023
Senior Management	1.05:1	1:1	1:1
Middle Management	1.02:1	1:1	1:1
Junior Management	1.02:1	1:1	1:1
Rank-and-file	1.03:1	1:1	1:1

Safety, Health and Wellness

SM Prime provides comprehensive support for employee health, safety and well-being, including healthcare benefits, annual medical assessments, insurance coverage and workplace clinics.

activities that support overall well-being. Workplace design features such as recreational and fitness facilities, open stairways and quiet spaces support physical and mental health.

Training programs cover occupational safety, emergency preparedness, disaster resilience and regulatory compliance. Monitoring systems and communication channels enable timely response to workplace risks.

Occupational health and safety performance improved significantly in 2025, with zero fatalities and zero lost-time injuries recorded for both employees and contractors. This improvement reflects strengthened safety controls, enhanced oversight, and the effective implementation of risk management practices.

Wellness initiatives include mental health programs, stress management sessions and employee-led

Occupational Health and Safety Performance

Employees	2025**	2024*	2023*
No. of fatalities	0	0	0
No. of lost-time injuries	0	0	1,833
Total Hours Worked	26,848,000	30,902,744	21,786,529

Contractors	2025**	2024*	2023*
No. of fatalities	0	1	2
No. of lost-time injuries	0	64	266
Total Hours Worked	7,346,000	62,924,540	167,965,824

*Data for contractors only includes SCMC

**Data includes the top 4 contractors for facility maintenance, administrative and security personnel. Contractors related to construction are not included since they are directly reporting their OHS data to the Department of Labor and Employment.

Community Engagement and Volunteerism

Employee engagement extends to volunteerism programs implemented by Business Units, partner organizations and SM Cares.

In 2025, 4,947 SM Prime employees contributed 21,580 volunteer hours across activities such as tree planting, blood donation, outreach programs, relief operations, environmental initiatives, among others.

Environmental programs included nationwide coastal clean-up activities involving over 50,000 volunteers, resulting in the collection of more than 210,000 kilograms of waste. Participation was supported by over 500 partner groups, including private organizations, government agencies, NGOs, schools, civil society and local communities.

Social inclusion initiatives, including Angels Walk and Happy Walk, mobilized over 18,000 participants in support of persons with disabilities.

These efforts contribute to environmental management and social inclusion objectives, while reinforcing employee engagement and participation in community-focused programs.

Recognition

In 2025, SM Prime was recognized as one of the Philippines' Best Employer Brands, with awards in employee volunteerism, leadership development and HR transformation. The Company was also certified as a Great Place to Work, with 83% of employees affirming a positive workplace experience, above the national benchmark of 65%.

SM Supermalls received multiple recognitions at the HR Asia Awards, including Best Companies to Work For, Sustainable Workplace, Most Caring Company and Tech Empowerment distinctions, as well as awards from the Economic Times Human Capital Awards and the HR Excellence Awards Philippines.

These recognitions reflect continued investment in workforce development and organizational practices.

Supply Chain

SM Prime integrates responsible procurement and supplier management into its operations to support quality, compliance and ethical standards across its developments. The supply chain is managed through structured processes that align with the Company's governance framework and sustainability objectives.

Supplier accreditation is a core control. Prospective vendors undergo evaluation covering legal compliance, financial capacity, technical capability, and adherence to environmental and social requirements. This ensures that only qualified and compliant suppliers are engaged, reducing operational and reputational risk.

Digital vendor portals support procurement execution. These platforms enable supplier registration, accreditation, documentation submission and status tracking, and provide access to procurement opportunities. The use of digital systems improves process efficiency, strengthens auditability and supports transparent supplier engagement.

Procurement practices are guided by policies that emphasize fairness, accountability and compliance. Suppliers are required to adhere to applicable laws and standards, including those related to labor, environment and ethical conduct. These requirements are aligned with the Company's Code of Ethics, Anti-Corruption and Bribery Policy and Manual on Corporate Governance, ensuring consistency between internal controls and external

Local Procurement and MSME Inclusion

Local Supplier Share	97%
Local Vendor Spend Share	99%
MSME Partners	16,900

partnerships. Local sourcing remains a key feature of procurement. In 2025, SM Prime engaged 3,144 suppliers, of which 97% were locally based. Total procurement spend reached Php 21.7 billion, with 99% directed to local vendors. This approach supports supply chain resilience and contributes to local economic activity.

Micro, small and medium enterprises (MSMEs) form a significant part of the Company's ecosystem. Approximately 16,900 MSME partners operated across SM Prime developments in 2025, participating as unique tenants, suppliers and service providers. Recognition programs such as the Champions' Wall highlight partner contributions and strengthen long-term engagement.

Supplier capability is supported through training and engagement programs covering procurement processes, sustainability practices, safety standards and operational guidelines. These initiatives reinforce compliance and support consistent service delivery across the network.

SM Prime maintains ongoing communication channels with suppliers through its digital platforms and Business Units, enabling coordination, issue resolution and continuous improvement. Environmental and labor compliance remain integral to supplier accreditation and performance management, supporting responsible and sustainable supply chain practices.