

Human Capital

Top Management Commitment and Staff Involvement

Together with SM Prime's goal of creating lifestyle cities, our Company aims to develop the people who ultimately offer the end product.




The Human Resource division of SM Prime regards the workforce and the workplace as crucial assets to the delivery of our Company's mission and vision. By innovating human capital strategies, we are able to adapt to the radical shifts in customer needs and the market landscape. The evolving businesses require intensively building the internal ecosystem with digital capabilities, a growth mindset and global practices.

Our Be PRIME (Performance Driven, Results Oriented, Intense, Mindful, Exceptional) core values guide our actions, from the way we value our employees, the quality of service we provide to our customers and community, to long term investments that we make to develop and prepare our people, personally and professionally. Further, these values enable our people to adapt to business and customer needs with agility, resilience and innovation with a heart for *malasakit*.

SM LIFE (Life Integration for Employees) is how we design the talent experience for our people. It underscores how SM cares for its people by anchoring on three pillars - Purpose, Passion, and Performance – to create an engaging work environment that allows people to look at the essence of one's work and transcend to the heroic purpose of providing happy and fun family experiences, reasonable and affordable homes, and building a better quality of life for every Filipino.

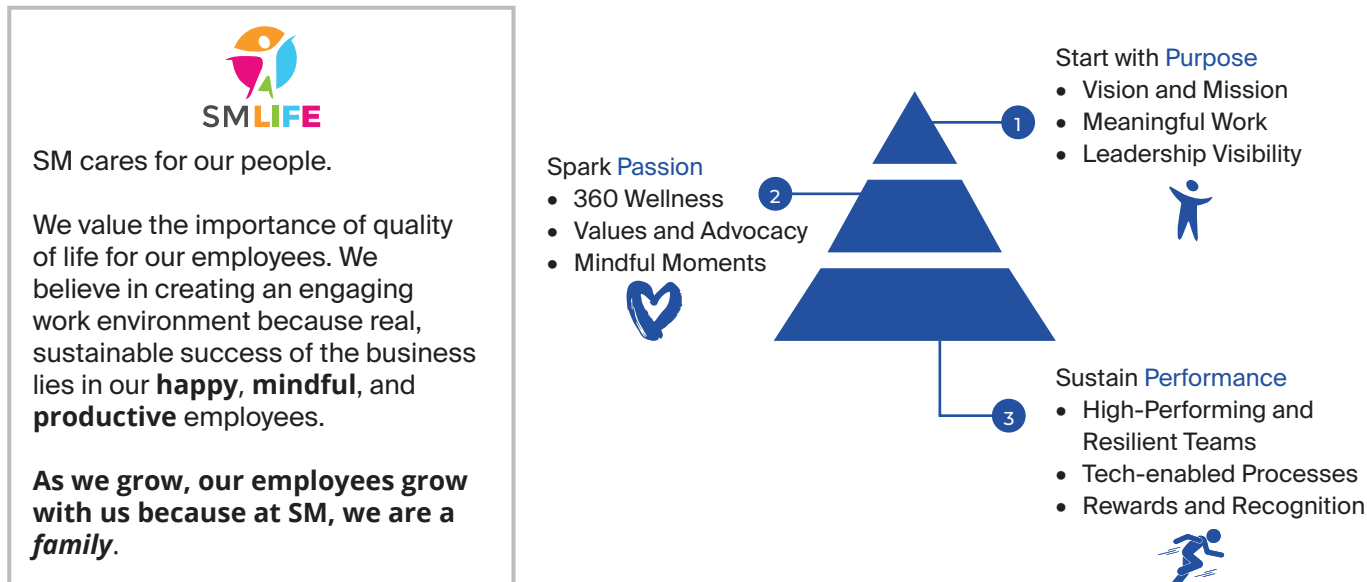
Transforming and Making Things Happen: The SM LIFE Signature Talent Management Experience

SM Prime's Human Resources division created five HR Transformational Goals to enable change and action, with focus on building an agile, innovative and execution-focused organization. These goals capture the SM LIFE talent management experience with programs delivered across the various employee touchpoints through the five Centers of Excellence – Recruit Right, Perform Right, Develop Right, Reward Right, and Engage Right.

 RECRUIT RIGHT Getting the right talents with the right attitude <ul style="list-style-type: none">• Supports SM Scholarship Foundation• Career website across all business units• Academic Partnership• E2E Programs (Education to Employment)	 PERFORM RIGHT Creating a culture of high performance, grit and Execution <ul style="list-style-type: none">• Shared KPIs across teams• Growing talents from within• Performance conversations & coaching	 DEVELOP RIGHT Superior Leadership, Talent Pipeline and A strong learning environment <ul style="list-style-type: none">• Blended learning initiatives• Leadership, Coaching & mentoring programs• Digi-U	 REWARD RIGHT Innovating Rewards and Recognizing Superior Performance <ul style="list-style-type: none">• MyHR (Digital Integrated HR Solution)• SM ID PRIDE• Project ACTS	 ENGAGE RIGHT Working together with a happy heart and choosing a life of purpose, passion and performance! <ul style="list-style-type: none">• Candid Coffee with the CEO• Celebrate You• Passion Clubs, PRIME Kids• Leaders' CIRCLE• HR BEAT• Volunteerism• Wellness Seminars and Get Up & Move!
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Employee Value Proposition

SM LIFE means taking pride in our purpose, passionately working together with a happy heart, and performing at our “prime” to create an engaging work culture and environment. We believe that real and sustainable success lies in our happy, mindful, and productive employees.



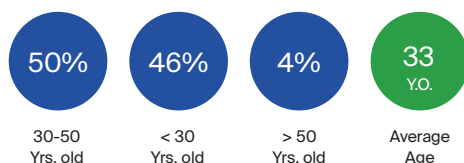
People Strategy (102-8)

SM Prime optimizes the value of human capital by building workforce strength through promoting diversity and inclusion, building capabilities to enable strategic workforce planning and adapting to health, safety and well-being needs.

Staff Strength



Generation



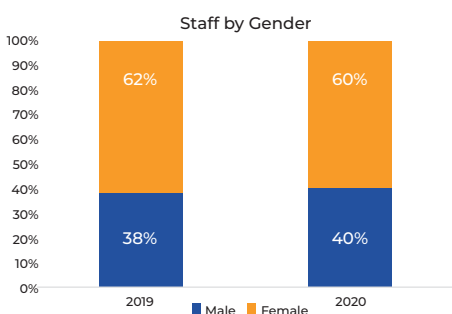
Average Tenure



1. Diverse and Inclusive Workplace (103-1, 103-2, 103-3, 405-1)

SM Prime promotes the Group Inclusion and Diversity Agenda (GIDA) across the organization which provides gender equality, women empowerment, prohibits discrimination and harassment and provides talent development opportunities based on meritocracy. The SM LIFE culture further embraces and nurtures the varying needs of our employees.

Establish, track, and create awareness on gender diversity



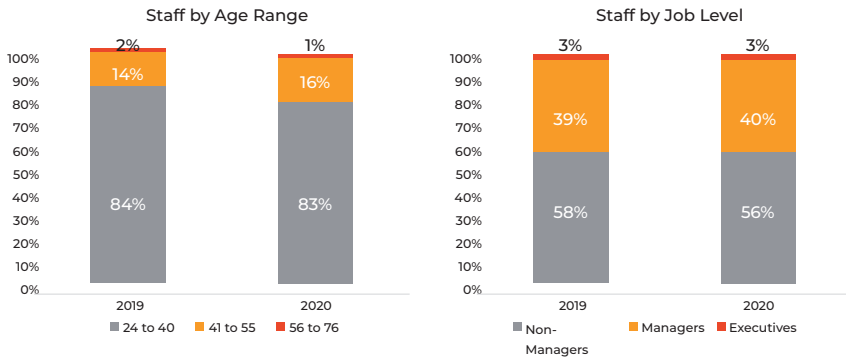
Gender Ratio for Executive Positions



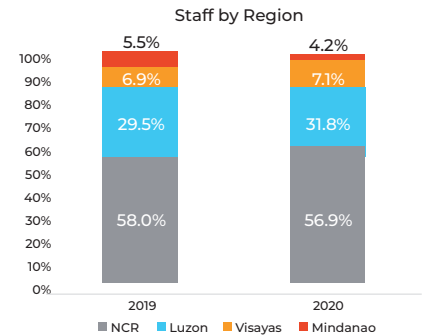
Gender Ratio for Top Management Positions



Ensure a healthy pipeline of next-generation leaders



Recruit Local Talents



Allow flexible work arrangement for immunocompromised and other qualified employees

Provide opportunities to serve the communities where SM is present

301

employees on Work from Home

Operation Tulong Express mobilized by employees during:

- Taal eruption
- Typhoon Rolly
- Typhoon Ulysses

2. Talent Building and Leadership Planning

SM Prime is committed to build and accelerate talents to unleash their highest potential and be Future Ready (digitally and technologically savvy). The Human Capital is relentless in our mission to fortify superior leadership and talent pipeline through a strong learning culture.

Provide appropriate learning, growth and opportunity to excel

101,602 Total Learning Hours
5,934 Total Trainees
17 Average Learning Hours per trainee

Identify Mission Critical Positions and create succession plans

78 Total MCPs
63% MCP Cover Ratio
1:1 MCP Successor Ratio

Accelerate development overseas of high potential employees

4 Employees deployed in China

3. Safety, Health and Well-being

SM Prime cares for our employees and we advocate a healthy and safe work environment. Our Company achieved low workplace accidents and incidents, despite the pandemic, through a holistic health program that is also integrated with the SM LIFE mobile app. SM Prime's overall SM LIFE program further promotes 360° wellness and work-life integration.

Provide support for disease awareness, prevention and management

Awareness

- Release of health advisories onsite and online
- Roll-out webinars

Prevention

- Provision of disinfectants, face masks, face shields and vitamin supplements

Management

- Access to COVID-19 testing
- Medical Services & HR buddy
- HMO coverage for COVID-19

Launch SM LIFE App with health tracker and contact tracing functions

89% Download rate
81% Access rate
13 Average visits per user per month

Roll-out mental, physical, financial and spiritual wellness programs

82 Sessions conducted
42% Activated accounts vs. target for offline one-on-one mental health counseling

Adoption of solo parent leave and Expanded Maternity Leave (401-3)

526 Childcare leaves credited
259 Expanded maternity leaves credited

Occupational Safety and Healthy Environment

SM Prime, in compliance with the Department of Labor and Employment (DOLE), has implemented the Occupational Safety and Health (OSH) Standards to protect every worker against the dangers of injury, sickness, and death through safe and healthy working conditions. Safety is an integral part of property operations and we treat our employees, tenants, customers, contractors, suppliers and the communities with utmost importance to our company.

Effective implementation of OSH assures the conservation of valuable manpower resources and the prevention of loss or damage to lives and properties, consistent with national development goals and with the country's commitment for the total development of every worker as a complete human being. With this, we have only one reported work-related accident resulting in lost time for the year and an average of three days of absenteeism per employee for the year.

Our OSH program is as follows:

1. Compliance

SM Prime ensures yearly compliance with the legal and regulatory requirements of the national government and the respective local government units to ensure continuity of business operations.

2. Risk Management of OSH Hazard

To ensure compliance with government regulations, we ensure that all employees are equipped with the required knowledge about OSH in the workplace.

3. Trainings and Awareness

We have organized webinars and fora throughout 2020. Virtual townhalls and information and education campaigns (IEC) cascaded physically and digitally are in place to ensure that our employees are updated with our current business position and management directions.

4. Measures to Mitigate Serious Diseases

To mitigate risks, we respond to the threat of health crises such as the COVID-19 pandemic in a timely manner with appropriate measures. HR disseminates medical and travel advisories to all our employees. Likewise, essential equipment and disinfectants were provided to our employees for their protection.

5. Staff Wellness

Our Company aims to provide a work environment that is safe and contributes to the general well-being of our staff. We provide employees with a health insurance plan, annual physical exam, drug-testing and medical services with teleconsulting. We provide mental health support through awareness campaigns and access to mental healthcare providers when needed. A virtual Wellness Learning series promotes holistic employee well-being through quick exercises, mindfulness tips and creative and spiritual outlets. SM Cares, the CSR arm of SM Prime, initiates community engagement programs across various advocacies where employees are given opportunities to support.

6. Tenants and Community

As part of our OSH program, the Business Continuity Management System, Environment Risk Management and other disaster resilience guidelines are in place to ensure the safety and welfare of the community and also other stakeholders.

Human Rights and Labor Practices

In SM Prime, we believe that people is the most important asset of the organization. As we commit to be a workplace of choice for our more than 9,000 employees, we uphold and observe the ethical and labor standards that support human rights and dignity.

1. Anti-Workplace Discrimination

The Company adheres to United Nations Global Compact Principle 6 and ensures that there is no discrimination in respect of employment and occupation. Employees are selected on the basis of their ability to do the job and there is no distinction, exclusion or preference made in terms of age, gender, sexual orientation, religious affiliation, parental status. As such, there is no reported incidence of discrimination in 2020.

2. Diversity and Inclusion

Anchored on meritocracy, we continuously aim to accelerate talent development that supports professional development for women across the group, including increasing representation of women in top management.

3. Re-employment Opportunities

SM Prime in compliance with the Philippine labor laws implemented the mandatory retirement of our employees at the age of 65 and possible re-employment as Consultant thereafter. Meanwhile, those who resigned were given a chance of possible re-employment for any vacant position that may fit their qualifications.

4. Positive Work Environment

SM Prime provides working areas that are practical and ergonomically designed to promote performance and productivity. Services such as a breastfeeding area, a full cafeteria, filtered water dispensers and discounted access to gym-tenant partners promote a healthy work environment. Participative communication programs such as Town Halls, Candid Coffee with the CEO, HR TV and recognition programs such as Celebrate You and our Service Awards create synergy at work.

5. Fair Remuneration

We embrace a Total Rewards system, a well-rounded and holistic approach to drive positive outcomes and business performance. Meritocracy or Pay for Performance supports our direction to create a culture of high performance, agility and innovation. It is an integrated rewards strategy that focuses on: the right remuneration and total compensation, benefits and well-being preservation and skills and capabilities development to support our employees in achieving their personal and professional aspirations. Limitless opportunities are provided to employees to chart their careers across different businesses in the SM Group. To support all these, HR has embarked on an agile and digital transformation journey using an integrated HR system – one HR.

6. Job Security

SM Prime is committed to talent mobility where employees are given opportunities to rotate to different job functions and area assignments, subject to skills/competency requirements and business needs. Our Company is committed to providing meaningful jobs for our staff.

7. Security Practices

SM Prime takes responsibility for training its Customer Relations Services (CRS) and adjoining security personnel on human rights policies and procedures. Formal training is regularly arranged or included in the service providers' training.

8. Customer Privacy

Data privacy is highly valued by our Company and we abide by government regulations to ensure that any information given by customers or clients are safe and secure. No incidence of breach of customer privacy has occurred.

9. Supply Chain Management

The suppliers working with SM Prime undergo an accreditation process to ascertain whether they practice responsible operations in the areas of human rights, anti-corruption, health and safety as well as environmental management.

	Materiality	Risks/Challenges	Opportunities
SM LIFE Program	Employee welfare and engagement	Safe distancing protocols calls for changes in employee experience and a major adjustment versus face to face interaction	The evolution of SM LIFE philosophy adapts to the employee experience
Talent Attraction, Retention and Development	Employee career advancement	The outflow of talent in a highly- competitive market impacts operational efficiency and a sustained growth. Enhanced organization design and work environment is urgent and required	Continued community involvement and equipping its workforce with resilience, agility, digitalization and change management while strengthening work relationships through coaching, mentoring and mindfulness programs.