



INVESTMENTS
CORPORATION

Working Together for a Sustainable Future

2014
Environment,
Social and
Governance
(ESG) Report



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—
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About this Report

Working Together for a Sustainable Future is the maiden group-wide Environment, Social and Governance (ESG) report for 2014 of SM Investments Corporation (SM). SM is one of the leading conglomerates in the Philippines with investments in retail, banking and property.

The companies highlighted in this report are SM Retail Incorporated (SM Retail), SM Prime Holdings Incorporated (SM Prime) and BDO Unibank Incorporated (BDO). Among SM's group of companies, SM Prime, with a focus on SM Supermalls, has completed the Application Level Service of the Global Reporting Initiative (GRI) G4 – Core guidelines.

Good governance, social development and environmental consciousness are at the core of SM's business practices. It recognizes that adhering to ESG global best practices is a journey. Global guidelines and the needs of SM's stakeholders will continue to evolve. SM is committed to work towards meeting the evolving needs of its stakeholders. In line with this, SM shall issue an annual ESG Report to provide an accurate disclosure of its policies and practices.

Guided by the GRI G4 core guidelines, this report adheres to the economic, environmental and social indicators deemed most relevant across SM's businesses. SM's ESG initiatives are also guided by the principles of the United Nations Global Compact and the proposed United Nations Sustainable Development Goals. It is SM's intention to complete the GRI Application Level Service in due course.

VISION

To build world-class businesses
that are catalysts for development
in the communities we serve



MISSION

We will partner with our host communities
to provide a consistently high standard
of service to our customers, look after
the welfare of our employees and deliver
sustainable returns to our shareholders,
at all times upholding the highest
standards of corporate governance
in all our businesses.

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About SM Investments Corporation

SM Investments Corporation (SM) is one of the most dynamic conglomerates in the Philippines. Founded in the late 1950s by Henry Sy, Sr., SM has grown from a retail-centric operation into a diversified investment company with market leading positions in retail, banking and property development. Its long history of sustained growth is based on financial prudence, strong entrepreneurial orientation and leadership, as well as leveraging the strong synergies that exist between its businesses.

In retail, SM enjoys a strong brand franchise in its department store, THE SM STORE, and its food retail division, SM Markets, which consists of SM Supermarket, SM Hypermarket, Savemore and Walter Mart stores. These offer convenience and reliability and a high level of service, while innovating to cater to the evolving needs and aspirations of its millions of Filipino customers.

SM's property arm, SM Prime Holdings, Inc., is among the largest integrated property developers in Southeast Asia with interests in malls, residences, commercial buildings, leisure and tourism development. The company continues to expand across the Philippines, building and managing integrated developments that act as catalysts for economic development in the communities it serves. It also has a growing and successful presence in China, developing and operating malls in second or third-tier cities that have high growth potential.

SM's interests in banking are in BDO Unibank, Inc. (BDO), the country's largest bank, and in China Banking Corporation (China Bank), the fifth largest. These two banks have a combined network of over 1,000 branches nationwide. SM's banking business has grown organically with a high focus on customer service and product innovation, serving the many suppliers, tenants, contractors, customers and other partners of the group.



This has been complemented by growth through mergers and acquisitions and by aggressive building of branches nationwide to reach customers in all segments.

Since going public in 2005, SM has displayed tremendous growth in the last ten years, with assets growing fourfold, market capitalization increasing by six times and delivering an average annual growth of 17%. Revenues rose at an average of 15% per year while net income posted an annual average growth of 13%. SM's dividend payout has remained constant at 30% of earnings and average total shareholder returns have been 16% per year.

All told, in just five and a half decades, SM has become one of the largest companies listed on the Philippine Stock Exchange with a market capitalization of over US\$16 billion. This success story is a testament to its ability to deliver steady high earnings and asset growth, sound financial management, long-term sustainability and a comprehensive development program for its host communities that creates value for all its stakeholders.

Moving as One

Retail

SM Retail Incorporated represents 73% of SM's total revenue and 21% of consolidated profits. Its core businesses are comprised of the non-food group under THE SM STORE and the food group under SM Markets covering SM Supermarkets, SM Hypermarkets, Savemore and Walter Mart.

Performance Highlights

THE SM STORE


PHP76.5bn

Total Revenue

50

Total Number of Stores

15M

SM Loyalty Program Members 

PHP1.8bn

Net Income

665,521sqm

Gross Selling Area 

SM MARKETS

PHP118.4bn

Total Revenue

219 

Total Number of Stores

PHP3.7bn

Net Income 

1,081,367sqm

Gross Selling Area

Representing 41% of SM's consolidated profits, the SM banking business comprises BDO Unibank and China Banking Corporation. BDO is currently the largest bank in the Philippines and China Bank, one of the oldest privately owned banks in the country, ranks fifth.

Banking

Performance Highlights

BDO UNIBANK

PHP1,863.6bn

Total Resources

PHP22.8bn

Net Profit

875 

Total Number of Branches

1st 

Total Resources • Loans
Deposits • Capital and Trust
Funds under Management

CHINA BANKING CORPORATION

PHP470.9bn

Total Resources



PHP5.1bn

Net Profit

5th

Assets (Private
Universal Banks)

6th

Market
Capitalization





Property

Contributing 23% of SM's total revenue and 38% of its consolidated profits, SM Prime Holdings, Inc. serves as the holding company of SM's property business. It is an integrated property developer engaged in mall development and operations, residential and commercial property development, and hotels and convention centers development.

Performance Highlights

PHP66.2bn
Total Revenue

 **PHP18.4bn**
Total Net Income

50 
Philippine
Malls

5
China
Malls

25 
Condominium
Projects

4
Office
Buildings

6 
Convention
Centers
& Trade Halls

6,487,181sqm
Total Gross Floor Area Philippine Malls

 **794,601sqm**
Total Gross Floor Area China Malls

The SM group serves as a catalyst for development and uplifts the communities it serves through its various development programs.

Corporate Social Responsibility



SM Foundation



SM Foundation serves as the social development arm of SM that focuses on creating social investments that effect systemic change in the areas of education, health, livelihood, and shelter.

SM Cares



SM Cares, a division of SM Foundation and serving as the social development arm of SM Prime Holdings Inc., embarks primarily on mall-based projects focused on children and youth, environment and sustainability, persons with disabilities, senior citizens, breastfeeding mothers and global Pinoy, a program focusing on the needs of Overseas Filipino Workers (OFW).

BDO Foundation



BDO Foundation is the social development arm of BDO Unibank, Inc., and focuses on relief operations, school buildings, shelter, livelihood and health.



SM recognizes that global sustainability practices will evolve alongside the needs of the various stakeholders of the company which include its customers, employees, its host communities and its investors. In line with our vision to be a catalyst for positive long-term change, we remain committed to do our part in creating an even more sustainable future.

Harley T. Sy, President

To Our Valued Stakeholders:

SM recognizes that global sustainability practices will evolve alongside the needs of the various stakeholders of the company which include its customers, employees, its host communities and its investors. In line with our vision to be a catalyst for positive long-term change, we remain committed to do our part in creating an even more sustainable future.

For over three decades now, SM has been carrying out its mission of providing better opportunities to Filipinos. Its various corporate social responsibility programs are focused on education, health and livelihood. Their impact on society and the environment are what have pushed our group of companies to integrate sustainability and governance practices into the businesses which now generate a progressive growth cycle for our host communities.

Allow us to share these efforts with you in this maiden group-wide Environment, Social and Governance (ESG) report. Through this report, we hope to convey the message that SM's continued sustainability as a business relies heavily on the partnerships that we've established with the communities that we operate in, as well as our other various stakeholders. It is also dependent on how we further enhance the environment for greater progress and sustainability. In generating this report, we have taken the steps towards meeting global standards such as the Global Reporting Initiative (GRI) G4 guidelines which helps us fine tune our ESG roadmap.

In 2014, SM continued to increase its stakeholder value by enhancing existing policies and programs relating to employee welfare, corporate governance and corporate social responsibility. The Company also adopted new initiatives that aim to strengthen its relationships with creditors, regulators and business partners. We know we will be able to do more as we continue to strengthen our ESG practices.

Mr. Henry Sy, Sr. founded SM on the idea that business and social growth had a reciprocal effect on each other. As awareness of environmental issues grew, he recognized that SM's impact on the environment was equally important. In due course, he envisioned a future where the SM name wasn't only relegated to business, but also served as a beacon for progress in the areas it serves.

Through our ESG efforts, we will further our mission to provide the Filipino people with opportunities for growth, empower our communities, support the underserved sectors of society and continue nurturing our environment.



Harley T. Sy
President



Our Approach

The SM ESG Framework

The SM ESG Framework serves as the backbone from which SM companies may define their own framework to match their individual uniqueness. This is the Company's guide to integrate sustainability and risk management into its existing management and operating systems.

SM's framework is anchored on the commitment of its Board of Directors, which has also tasked oversight responsibility of the ESG to SM's Executive Committee. Operationally, an ESG Steering Committee has been created, and is composed of various members of management throughout the organization. The steering committee serves as a proponent of the policy and is tasked with the creation and implementation of an ESG roadmap. Through the ESG roadmap, the ESG global principles are shared to the various stakeholders, with SM serving as a catalyst in the pursuit of best sustainability practices.

The SM Board of Directors reviewed and approved an ESG Policy Framework that encompasses global standards. The Company supports:

- Corporate Governance;
- Climate-friendly solutions and opportunities for business;
- Access to clean, renewable and reliable energy sources and services;
- The adoption of instruments that help quantify, manage and report on carbon footprints of its businesses;

- The responsibility to protect the dignity of every person and uphold human rights;
- The recognition of the role of women in achieving economic growth and poverty reduction; and
- The elimination of all forms of forced and compulsory labor and child labor.

Stakeholder Engagement

The Company's sustainability relies heavily on the support, feedback and contributions of all of its stakeholders. Based on SM's sustainability framework, the realization of sustainability is anchored on active stakeholder engagement. The Company utilized its existing engagement mechanisms for its shareholders, employees and its customers. For the other stakeholders, SM holds informal dialogues to get their feedback on relevant issues. SM acknowledges that it is in the initial stages of Stakeholder Relations Management and endeavors to develop a more systematic way of engaging its stakeholders in future reports.

STAKEHOLDER GROUP	OUR COMMITMENT	OVERVIEW
Customers	The Company strives to address customer's welfare through its various programs and activities, and continues to evolve its business alongside its customer's needs.	Customer needs addressed through: <ul style="list-style-type: none"> a. customer satisfaction surveys b. open avenues for communication (social media, customer helpdesks, etc.)
Employees	The Company has established policies and programs that promote a safe and healthy work environment that caters to all cultures and creeds and encourages employee development and growth.	Employee welfare includes: <ul style="list-style-type: none"> a. health and safety b. training and continuing education opportunities c. career advancement/growth d. equality/diversity policies e. fair treatment/compensation
Business Partners	The Company fosters good working relationships with its business partners through highly principled and disciplined business dealings.	Relationships with business partners enhanced through: <ul style="list-style-type: none"> a. bidding and procurement practices b. dialogues with business partners c. Policy on Accountability, Integrity, and Vigilance (PAIV) – whistleblowing policy
Communities	The Company strives to maintain and further enhance its CSR activities, which continue to positively impact the communities it operates in, as well as its other various stakeholders.	Corporate social responsibility development: <ul style="list-style-type: none"> a. engagement and activities through SM Foundation and SM Cares b. individual business unit programs – Hamilo Coast, Highlands Prime
Shareholders	The Company protects the rights and interests of its shareholders, such as the appraisal right, right to vote, right to inspect corporate books and records and gain access to material information and right to receive an equitable share of the Company's profits.	General Rights provided to shareholders and investors: <ul style="list-style-type: none"> a. right to vote b. access to information c. right to inspect d. share of dividends e. right to appraise
General Public	The Company ensures that its stakeholders receive timely and accurate information on all facets of its business through the utilization of its website and disclosures. Furthermore, the Company conducts regular briefings and meetings with investors, analysts and the media to keep them updated on the Company's various projects, financial and operational results.	Timely and accurate information on the company are provided through the following: <ul style="list-style-type: none"> a. websites b. disclosures c. media/analyst briefings d. investor roadshows e. social media

Practice of Good Governance

Board of Directors

SM’s commitment to the principles of corporate governance emanate from its Board of Directors. It is the Board that embodies the core values of the Company, setting the “tone at the top” and maintaining the highest standards of excellence and integrity that permeates throughout the organization. The primary role of the Board of Directors is to formulate and execute sound strategies that will ensure the long-term success of the business in a manner that demonstrates fairness, accountability and transparency.

BOARD OF DIRECTORS

Director’s Name	Position
Henry Sy, Sr.	Chairman
Teresita Sy-Coson	Vice Chairperson
Henry T. Sy, Jr.	Vice Chairperson
Harley T. Sy	Director
Jose T. Sio	Director
Vicente S. Perez, Jr.	Independent Director
Ah Doo Lim	Independent Director
Joseph R. Higdon	Independent Director
Elizabeth T. Sy	Adviser to the Board
Hans T. Sy	Adviser to the Board
Herbert T. Sy	Adviser to the Board
Atty. Corazon I. Morando	Adviser to the Board
Stephen Cuunjieng	Adviser to the Board

The Board is composed of eight (8) directors, three (3) of whom are highly certified, non-executive independent directors. The independent directors

are chosen based on their fields of expertise that provide a more diverse perspective of the business to enrich the decision making process.

The Chairman and the President

The roles of the Chairman of the Board and the President are held by separate individuals, whose functions and responsibilities are contained in the Manual on Corporate Governance. Under the guidance of the Nomination Committee, the Board conducts an annual performance self-evaluation based on the duties and responsibilities of the Board of Directors, Board Committees, individual directors and President as provided for in SM’s By-Laws and Manual on Corporate Governance. Directors are also asked to identify areas for improvement as well as training/continuing education programs needed in the performance of their duties.

Board Committees

To address specific tasks and responsibilities, the Board formed four (4) committees. Each committee has adopted a Charter which defines its composition, roles, and responsibilities based on the provisions found in the Manual on Corporate Governance. Board Committee composition may be viewed at the company website: www.sminvestments.com.

The Executive Committee

This committee is composed of both executive and non-executive directors and acts on behalf of the Board during the interim periods between Board meetings.

The Nomination Committee

This committee is tasked with the review and evaluation of the qualifications of all candidates nominated to the Board of Directors, and those nominated to positions that require Board approval under the Company’s By-Laws.

The Audit and Risk Management Committee

This committee directly interfaces with the internal and external auditors in the conduct of their duties and responsibilities. Its primary task is the review of the Company's financial reports, and recommends the same to the Board for approval. The committee also reviews SM's internal control system, its audit plans, auditing processes and related party transactions.

The Compensation and Remuneration Committee

This committee is tasked with the oversight of policies on salaries and benefits, as well as promotions and other forms of career advancement.

Corporate Governance Related Policies

The Manual on Corporate Governance

The Manual on Corporate Governance contains the Company's policies on disclosure and transparency, and mandates the conduct of communication, and training programs on corporate governance. It outlines the rights of all stakeholders and the protection of the interests of minority stockholders. There have been no deviations from the Manual since it was adopted.

The Code of Ethics

The pillar of good corporate governance is the Code of Ethics, which every employee and all business partners are required to adhere. The Code underlines the importance of integrity in all dealing with stakeholders by the Company's directors, officers and employees in the performance of their duties and responsibilities. It also highlights the Company's duties to its employees, shareholders and the importance of corporate social responsibility.

Insider Trading Policy

Directors, officers and employees are prohibited from trading in the Company's shares, five (5) trading days before and two (2) trading days after the disclosure of any material, stock price-sensitive information. SM issues reminders of this trading ban 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 reported to the appropriate regulators in a timely fashion.

Guidelines on Acceptance of Gifts and Travel Sponsored by Business Partners (Anti-Corruption)

Based on the provisions of the Code of Ethics, directors, officers and employees are prohibited from soliciting or accepting gifts in any form from any business partner. The term gift covers anything of value, such as but not limited to cash or cash equivalents. The guidelines provide exceptions such as corporate giveaways, tokens or promotional items of nominal value. When it is deemed improper to refuse a gift, the issue is elevated to Management for proper disposition. In the same manner, travel sponsored by any current or prospective business partner is prohibited under the Guidelines on Travel Sponsored by Business Partners.

Accreditation of Vendors and Suppliers

Existing and potential vendors and suppliers are required to conform to the Company's Code of Ethics as a pre-requisite for the accreditation process.

Policy on Accountability, Integrity and Vigilance (Whistleblowing Policy)

SM's whistleblowing policy, referred to as the Policy on Accountability, Integrity and Vigilance (PAIV), was adopted to create an environment where concerns and issues, made in good faith,

may be raised freely within the organization. Under the policy, any director, officer or employee 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 law or regulation. Upon receipt of an incident report, Management conducts an investigation on its merit, subject to due process and applicable penalties and sanctions thereafter. A compilation of concluded reports is periodically presented to the Audit and Risk Management Committee.

Disclosure and Transparency

SM aims to provide its stakeholders with timely and accurate information on all facets of its business through the utilization of its website and disclosures. The Investor Relations Group (IR Group) of SM is the main avenue of communication between the company and its various stakeholders. The IR Group arranges regular teleconferences and site visits for investors and conducts annual roadshows to meet with investors in various locations across the world. They also participate in various investor conferences locally and conduct regular briefings with analysts, members of the press and the public.

Annual Corporate Governance Report

Also included in the Company's website is SM's Annual Corporate Governance Report (ACGR). The ACGR highlights the Company's corporate governance practices and provides detailed information on SM's Board of Directors and Management as well as policies and programs.

The Annual Stockholders' Meeting

The Annual Stockholders' Meeting provides SM shareholders with the opportunity to raise concerns, give suggestions and vote on relevant issues. Voting methods are clearly defined and explained to shareholders to ensure the observance of their voting rights and continued participation in the voting process.

Team Results

The graphic features the words "Team" and "Results" in a bold, sans-serif font. The word "Team" is in a dark blue color, while "Results" is in white. The letters are filled with or surrounded by various light blue icons representing business and teamwork concepts. For example, the 'T' in "Team" contains a person pointing at a bar chart. The 'e' contains three stylized human figures. The 'R' in "Results" contains a person sitting at a desk with a laptop. Other icons include a person at a whiteboard, a group of people, a handshake, and a person in a wheelchair. The background is a solid teal color with a dark blue vertical bar on the left side.

One SM Team

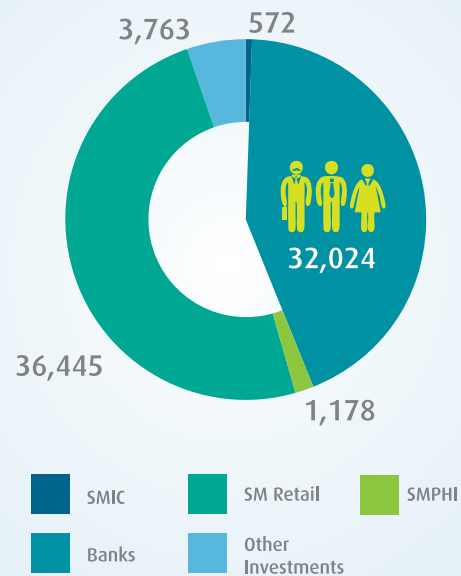
SM is built on the collective efforts of talented and devoted individuals who share the same vision. The Company believes in harnessing the full potential of its employees by providing a conducive environment for creativity, productivity and growth. Team work is vital in every level of SM’s corporate culture. It is proven to be a critical factor for success, at progressive levels, in attaining the Company’s objectives.

Employee Profile

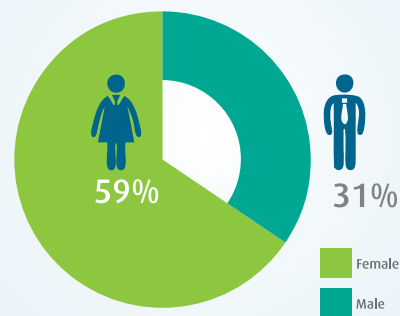
The corporate strategic plans of SM are effectively translated and linked into the Human Resource programs that contribute to the over-all development of the organization. Sound people management practices like involvement, recognition, and development are implemented by the organization. The demographics presented in this section are limited to the parent company and SM Prime, with a focus on SM Supermalls, and not the group-wide employee profile.

Because the Company’s human resources are its most valuable resource, SM promotes equal opportunity and encourages an environment for positive growth and collaboration. In line with its commitment to empower women, SM maintains a good percentage of women in its workforce, and does not discriminate on the basis of gender. Benefits given to regular employees are applicable to all, regardless of gender, employee level, and location. SM also supports the abolition of all forms of forced and compulsory labor, as well as child labor. There were no incidents of discrimination nor incidents against indigenous people during the reporting period.

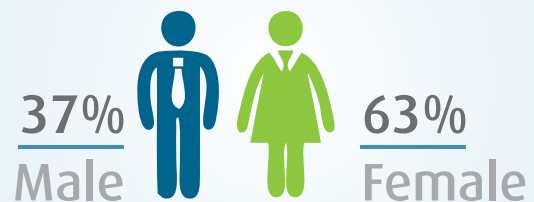
Group-Wide Employee Profile



SM's Gender Profile at the Parent Company



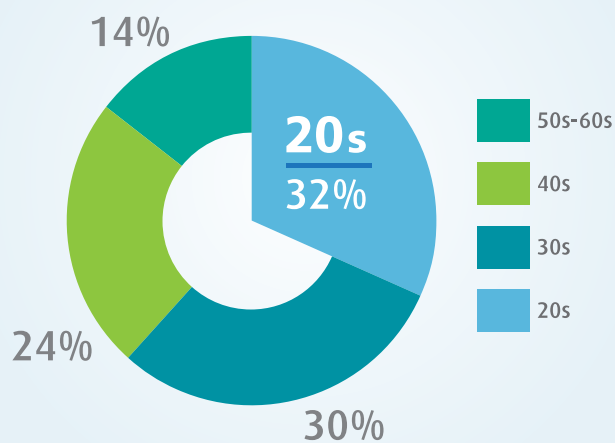
SM Prime Holdings Gender Profile



EMPLOYEE TRAINING

SM also maintains a good age range among its employees. In line with its goal to be the employer of choice, SM invests in trainings and workshops that enhance their skills and promote personal growth.

SM Employee Age Range at the Parent Company



Employee Training

SM is committed to pursue an empowering environment for its employees to exhibit their full capacity. SM employees receive various trainings throughout the year such as Coaching for Performance, Developing Leadership Skills, Handling Conflicts in the Workplace, ONE SM Orientation Program, Personal Image Enhancement, among others.

At a minimum, all new SM employees at the parent company receive about 16 hours of training, registering 5,920 training hours for new hires in 2014 alone.

In line with the long-term goal to attain organizational sustainability, the SM leadership identifies, molds and mentors potential future leaders for succession planning. This helps provide continuity in the organization in bringing SM to greater heights.

Employee Assessment

SM is determined to create a workplace that allows its employees to have open communication lines, seamless team work and avenues to constructively address their conflicts.

All regular employees receive annual appraisals which allow discussions between the supervisor and the employee providing immediate feedback for the benefit of both parties. For the past three years, SM has promoted over 14% of its headcount. SM upholds integrity in the assessment of its employees' performance, based on merit and their contribution to the attainment of the Company's objectives.

SM Prime Holdings Training Hours



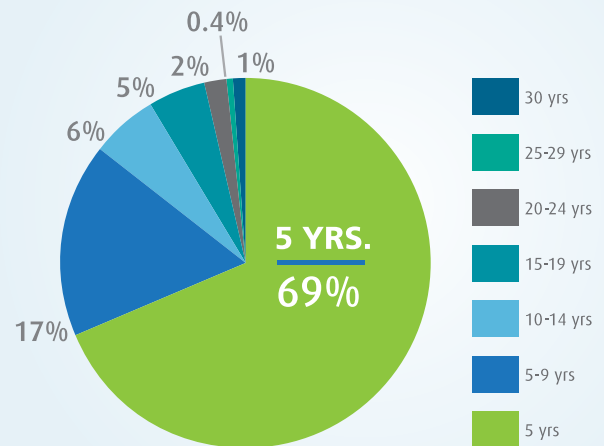
Because the Company’s human resources are its most valuable resource, SM promotes equal opportunity and encourages an environment for positive growth and collaboration.

Employee Welfare, Well-Being and Engagement

SM abides by the regulations defined by the Department of Labor & Employment (DOLE), including health and safety standards of its employees. SM passed the 2014 DOLE inspection and is compliant for both General Labor Standards (GLS) and Occupational Health and Safety Standards (OSHS).

As a general practice, there are no collective bargaining agreements in SM with the exception of SM Mart, Inc. The SM Mart management has established a strong partnership with its duly recognized representative, *Sandigan ng mga Manggagawa sa Shoemart*, with whom it has forged a collective bargaining agreement. Through this strategic partnership, SM Mart Management and the Union work together to attain harmony and productivity in the workplace.

SM Retention Rate at the Parent Company



SM supports a more holistic employee development approach in pursuit of a healthy work-life balance. It provides many avenues to achieve total wellness such as fun runs, health and fitness programs, arts and creativity programs, and opportunities to volunteer for social impact.

SM is an apolitical and non-partisan organization. It partners with government agencies and associations as a representative of the private sector in endeavors related to stakeholder and industry consultation, capacity-building, and the promotion of social development and environmental sustainability.

Social Impact



SM Foundation

SM Foundation remains steadfast in its commitment to uplift the quality of life of Filipinos by making strategic social investments in education, healthcare, livelihood and shelter. Through its various programs and complementary business practices, the Foundation promotes initiatives to protect and enhance the Philippines' unique and diverse ecological heritage.

As lead convener of the SM's corporate social responsibility efforts, SM Foundation works directly with communities to provide targeted interventions they require by leveraging its corporate assets to secure resources and build awareness, and by engaging with strong partners to create programs that promote a cycle of positive change.

The Foundation's programs are in line with the UN Millennium Development Goals and the proposed UN Sustainable Development Goals. It is a member of the League of Corporate



Foundations, Association of Foundations in the Philippines and Philippine Business for Social Progress. The Foundation is also accredited by the Philippine Council for NGO Certification.

Data for the year 2014

220
Graduates

69
Honor Students

326
Freshmen Scholars

56
Classrooms Built

19
Farmer Trainings

2,798
Farming Graduates



118
Medical Missions

105,936
Beneficiaries

14
Refurbished and upgraded Health Centers

30,547

Kalinga (Relief) Packs Distributed





College Scholarship Program



3,400 SM Scholars to date

1,900 SM Scholar graduates to date

84 partner universities

Courses offered: Accountancy, Engineering, Education, Information Technology, Electronics, Computer Science

Technical-Vocational Education Scholarship



361 graduates to date



Courses offered:
Food and Beverage • Automobile Mechanic
Filter Machinist • Electro-Mechanical Technician
Refrigerator and Air-Conditioning

School Building Program

67 School buildings with 196 classrooms to date



Inclusive and Equitable Quality Education

SM Foundation is committed to substantially contribute in providing access to quality public school education. Through its School Building Program, it aims to narrow the gap in school building requirements and to provide more conducive environments for learning.

Inspired by its founder's firm belief of the power of education to enhance individuals' ability to rise out of poverty, SM Foundation continues to invest most of its resources to its Scholarship Program both for university education and technical-vocational education.

The program has successfully empowered 1,900 scholar-graduates to become productive members of the workforce and thrive into the future to be relevant stakeholders in their communities.

Promoting Healthy Lives and Well-Being

SM Foundation has been bridging the gap in the access to health care services. Through its Felicidad T. Sy Wellness Program, the Foundation renovates, refurbishes, and builds Medical facilities to promote the well-being of its beneficiaries. More importantly, these facilities are transformed to meet the requirements to become PhilHealth accredited. Philippine Health Insurance Corporation (PhilHealth) serves as the universal health insurance in the Philippines.

Through this targeted initiative, it helps decongest hospitals in the main cities and helps increase the capacity of health centers



in rural areas to provide proper care within the PhilHealth coverage. In turn, it helps communities in rural areas utilize their PhilHealth benefits, especially senior citizens.

The Foundation also conducts medical and dental missions, providing immediate health care needs for the communities it serves. In 2014 alone, the Foundation conducted a total of 118 medical missions benefitting 105,936 patients. In support of the battle against specific diseases, the medical missions serve as front line enablers for vaccination programs and the promotion of maternal health.



Medical Missions



1,019
Medical Missions conducted to date

813,685
Patients benefitted to date



Felicidad T. Sy Wellness Centers



101
Felicidad T. Sy Wellness Centers to date



Farmers' Training Program *Kabalikat sa Kabuhayan*



80

Farmers' Trainings to date



10,080

Farmers trained to date from 1,657 communities in 479 municipalities and cities



Food Security and Sustainable Agriculture

SM Foundation promotes inclusive growth primarily at the communities with the lowest level of income. It has identified food security as the cornerstone of sustenance and anchor for supplementary development programs. Through its *Kabalikat sa Kabuhayan* (KSK) Program, which translates as "Partner in Livelihood," the Foundation conducts farmers' trainings promoting sustainable agriculture.

The KSK program has promoted economic activity, enhancing farmer membership in cooperatives, propelling livelihood in basic forms. Enterprising farmers and cooperatives built on their KSK training, and have progressed to be suppliers to the local market and sub-contractors to SM agricultural suppliers.



Operation Tulong Express (Immediate Disaster Relief Assistance)

Due to its geographical location and environment, the Philippines is susceptible to various forms of natural calamity. A comprehensive disaster response program to address this is crucial to respond to the imminent dangers that threaten communities upon the impact of a calamity. Such initiative requires a considerable investment for efficient solicitation, packing and transportation of relief goods. SM Foundation presents itself to be a valuable partner in the efficient distribution of relief goods through SM’s robust operating system and strategic presence nationwide.

Tapping the expertise of the SM Food Retail Group employees in sourcing food items and efficiently packing relief goods (kalinga packs), SM Foundation is able to timely deliver relief goods from its 6 distribution centers nationwide with zero contamination.

During Typhoon Yolanda (Haiyan), a total of 103,500 kalinga packs were distributed of which 50,000 packs were given within hours when the typhoon struck. The timeliness of the delivery of kalinga packs is vital to the survival of children, nursing mothers, expecting women and elderly, who are usually the most vulnerable during times of disasters.

Through the SM Donate-A-Bag project, a Php100 donation corresponds to a kalinga pack. SM’s core value of community service and volunteerism also proved to be evident as SM employees collectively raised more than Php1 million in contribution to the response.

In July 2014, the Department of Health awarded SM Foundation recognition for its assistance and immediate response at the “Awarding of the Unsung Heroes: Typhoon Yolanda Responders.” The following month, the 520th Air Base Wing of the Philippine Air Force also recognized SM Foundation’s efficient and effective response to the victims of Typhoon Yolanda during the celebration of their 48th Founding Anniversary.



Operation Tulong Express



30,547
Kalinga (relief)
packs distributed
to 59 barangays
in 2014

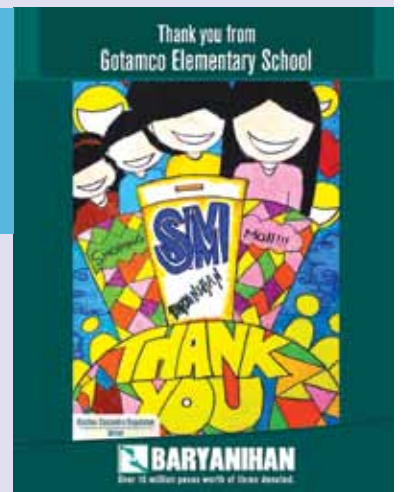




Baryanihan Program

The SM Food Retail Group launched the Baryanihan Program in 2011 to help various institutions around SM Supermarket, SM Hypermarket and Savemore stores. Its objective was to provide shoppers an avenue to help communities by donating their loose change and unwanted coins to help orphanages, elderly homes, churches and schools in the surrounding communities. Today, the proceeds of the Baryanihan campaign are directed to provide the needs of underserved public schools. Items included are school supplies, electric fans, chairs, audio-visual learning sets and other equipment the schools may require.

Turn-over ceremonies are done once a year after a six month campaign period. Every school touched by the program has a different story to tell. From the initial collection of only Php12,000.00 from SM Hypermarket Adriatico back in 2011, last



year's campaign ran in all stores of SM Markets and raised over Php10 million for 170 public schools.

The Baryanihan Program proves that each person can make a big difference with just a simple act of kindness. By engaging SM shoppers, it also brings about the spirit of volunteerism. The campaign is founded on the principle of collective action, proving that with little individual effort taken collectively brings about big change.

THE SM STORE Campaigns

THE SM STORE launched store-based campaigns in partnership with SM Foundation, the Department of Social Welfare and Development (DSWD) and other SM Mart subsidiaries, encouraging the spirit of sharing and generosity from among its customers.

Donate a Book Campaign

THE SM STORE and SM Stationery, in partnership with SM Foundation and DSWD, launched Donate a Book which aims to develop an interest in reading. It is focused on out-of-school youth, helping to improve functional literacy and enhance comprehension. SM shoppers are invited to take part of this campaign by donating their old school books, fiction and non-fiction books, or even purchase new books. THE SM STORE set up Donate a Book Booths nationwide from May through June last year to receive donations. To encourage giving, all donors are entitled to Php50 off coupon to be redeemed with minimum single receipt purchase worth Php500 from SM Stationery through June of the following year.



Share a Toy | Make a Child Happy

For 2 years now, during the Christmas season, THE SM STORE and Toy Kingdom encourages shoppers to play Santa by participating in "Share a Toy" project and Make a Child Happy campaign. Shoppers may donate their old toys or purchase new toys. The toys are given to underprivileged children in the surrounding communities where SM operates, making Christmas a little bit brighter for them. To inspire sharing, donors are given Php50 discount for every Php500 single-receipt on their next toy purchase. This project is also in partnership with DSWD and SM Foundation.



Gamot para sa Kapwa (Medicine for People in Need)

A joint project of THE SM STORE and Watsons, *Gamot para sa Kapwa* aims to provide quality health assistance to indigent members of the community. By inviting shoppers to purchase and donate Sureaid Emergency Kits worth Php160 each, it helps provide essential quick aid during emergency situations. The kits are exclusively distributed by Watsons and approved by the Department of Health (DOH) and Food and Drug Administration (FDA). Each kit contains items needed for basic first aid treatment such as wound cleansers, bandage and dressings and basic medicine. To boost participation, donors are entitled to a Php50 - coupon which may be redeemed with a minimum required single receipt purchase of any Watsons label products.





SM Cares focuses on mall-based projects that provide equitable access and service for people with special needs.



Program on Children and Youth



Recognizing that the future of any nation rests on its youth, SM Cares has been carrying out various activities to inspire the youth to be global leaders and shapers.



Among its projects are the book reading session to mark the National Children's Reading Day, the long-running "Drink for Two" partnership with UNICEF and the Adoption Consciousness Week project in partnership with the Department of Social Welfare and Development.

PROPERTY - BASED PROGRAMS



SM Global Pinoy Program



The importance of the Overseas Filipino Workers (OFW) to the Philippine economy cannot be overstated. Aimed to helping bring families together, the SM Global Pinoy Program offers services that cater to the needs of the OFWs and their families.

Projects for 2014 included the Values Formation Seminar where OFW members and their families were hosted to a Moral Values Re-Orientation Seminar in partnership with the Couples for Christ Migrants Program. Members were also treated to the annual *Pamaskong Handog para sa OFWs* (Christmas Offering for the OFWs) that fetes SM Global Pinoy members with a special Christmas Program to honor and show them appreciation.



Program on Persons with Disabilities



The program on Persons with Disabilities promotes a barrier-free and disability-inclusive environment. It ensures that SM becomes a mall for all.

Initiatives for 2014 included the Angels Walk for Autism held at the Mall of Asia (MOA) Arena, with more than 10,000 attendees (in partnership with the Autism Society Philippines); Happy Walk for Down Syndrome Awareness (in partnership with the Down Syndrome Association of the Philippines, Inc.); Special Movie Screening for the Deaf and Blind (in partnership with Deaf-Blind Support Philippines and CALL Foundation); a free concert by The Cascades, for the benefit of



Filipino persons with disabilities (PWD); Tour of the Exploreum at the SM Mall of Asia, for children with autism; Best Buddies Friendship Bowling Games; and a Basketball Clinic for special children held at the MOA Arena (in partnership with SM Lifestyle Entertainment, Inc.).



Since 2006, SM has been a venue for many breastfeeding and lactation seminars and conferences to encourage women to breastfeed. The past year, SM invited international expert Dr. Jack Newman to conduct a series of talks on the latest findings on breastfeeding.



Program on Women and Breastfeeding Mothers

Various programs on women include the Women's Month Celebration with Jessica Cox, who delivered an inspirational message at the SM North EDSA Sky Dome (Quezon City) in March 2014.



PROPERTY - BASED PROGRAMS



Program on Senior Citizens



SM champions the needs of senior citizens. Aside from providing them with services for leisure and ease, SM also gives them opportunities that make them rediscover their self-worth in society.

SM launched the Casual Employment for Senior Citizens program which gives senior citizens a chance to work in SM Malls nationwide as greeters and ushers. Other initiatives include the regular Seniors Day at the Mall where seniors engage in fitness activities to health and wellness activities.



Program on the Environment



The SM Cares for the Environment Program not only works towards increased operational sustainability programs, but also aims to educate the public, and provide support, for various environmental causes.

SM sought the opportunity to again bring to the forefront pressing environmental issues by conducting the annual Green Retail Agenda. This event is conducted for the network of SM Prime's mall tenants, public and private sector, business partners, to educate the audience on pressing environmental issues. More discussions on environment programs may be found at the Environmental Impact section starting on page 35.

BDO Foundation

For the year 2014, BDO, through its foundation, pursued its projects on education (school buildings), health (rural health centers), and shelter (resettlement housing) for Filipinos across the country, especially those who had been battered by numerous typhoons and other recent disasters. It also undertook capacity-building activities to enable communities to retool themselves and make them more resilient.



Relief operations

Past disasters will not be the last to threaten communities. To respond to this continuing reality, BDOF adopted an integrated approach in its relief operations through the active engagement of BDO volunteers in over 875 branches and satellite offices, and a supply chain of SM stores to pack the goods. BDO's extensive branch network has been helpful in the conduct of such relief activities.



School buildings

The shortage of classrooms in Philippine public schools is a lingering problem. Calamities worsen the situation. When these occur, existing classrooms and school buildings are damaged or destroyed altogether, while the remaining ones are used as evacuation centers.

Amid these realities, BDOF recognizes that children need the regularity of daily learning, whatever the weather and however difficult the situation.



Toward this end, BDOF, again in partnership with SM Foundation, completed and turned over two school buildings in Capiz and Aklan in 2014. These are two-storey buildings with four classrooms each. Three (3) more are under construction in Tacloban City, Negros Occidental and Iloilo, all on the Yolanda corridor.

BANK - RELATED PROGRAMS

Together with the Federation of Filipino-Chinese Chambers of Commerce, Inc. (FFCCCII), BDO built ten (10) one-storey school buildings with two classrooms each in Sorsogon, Laguna, Sultan Kudarat, North and South Cotabato, Ilocos Sur, Zamboanga, Leyte and Bohol.

With the Philippine Geothermal Production Company, Inc. (PGPC), BDOF completed and turned over a two-storey, four-classroom building for Baybay Elementary School in Catarman, Samar. Similar projects are under way in Pandan, Antique (in tandem with US-Philippines Society) and San Miguel, Leyte (with Injap Investments, Inc.).



Shelter

In Mati, Davao Oriental and in Sta. Fe, Leyte, two resettlement sites began construction in 2014. The former, with 69 housing units, is for victims of typhoon Pablo. The latter is for persons with disabilities and the victims of typhoon Yolanda, through the Foundation for These-Abled Persons, Inc (FTI). The Leyte resettlement site will have 100 units, all pre-cast and designed by German technology.

BDOF recognizes that there is not just a need to build houses, but to establish functioning communities. These resettlement sites are not just made up of individual housing units. They come with a multi-purpose hall or community center where residents can hold workshops and other socio-civic, religious and other activities. These community centers are equipped with a kitchenette, comfort rooms and other furnishings and fully funded by BDO employees and officers.



Livelihood

Forty-five motorized boats with fish nets were donated by BDO employees and officers to Project BANGKA (Bigay Agad NG Kabuhayan) of Regina Rica Foundation for the residents of Barangay Santikan, San Dionisio, Iloilo.





The graphic features the words "Environmental Impact" in a large, bold, sans-serif font. The word "Environmental" is in a dark blue color, while "Impact" is in white. The text is set against a background of various white icons representing environmental and social themes, including light bulbs, a person with a laptop, a water tap, a person planting a tree, solar panels, a person with a recycling bin, and a person with a shopping bag. The background is a solid teal color.

Environmental Impact

Sustainable Operations

In the area of sustainable operations, a number of property-based programs have been geared toward reducing the group's carbon footprint through well studied and measured solutions for many years now. Among these are integrated facilities for water catchment, treatment and recycling, renewable energy through solar power technology, and improved air emission standards.

Highlighted in this section of the Report is SM Prime Holdings (SM Prime) focused on SM Supermalls. This section is based on SM Prime's Sustainability Report 2014. For a complete view of this report, you may refer to www.smprime.com.

Energy Efficiency

Based on SM Prime's Sustainability Report 2014, continuous innovation and improvement have led to SM Prime's savings in energy consumption for new and existing malls. It has invested in new technologies and approaches, as well as created partnerships with government agencies.

Interventions initiated by SM Prime, such as the initial migration to utilizing LEDs for illumination and energy efficient office equipment, are also adopted by other SM companies. In SM's development in Hamilo, it utilizes solar energy to light lamp posts and is in the process of conversion to LED lights.

Specific to the malls is the use of vestibules and glass panes perpendicular to the entrance walls to help keep hot air out and cool air in.

TABLES are based on the SM Prime Sustainability Report 2014*

EN3 - RENEWABLE ENERGY CONSUMPTION (Giga Joules)ⁱⁱ

	2013	2014
CNG (SMYB)	6,392	2,413

EN3 - NON RENEWABLE ENERGY CONSUMPTION BY FUEL SOURCE (Giga Joules)ⁱⁱ

	2013	2014
Diesel	51,820	71,463
Gasoline	766	745
Refrigerant	14	22
TOTAL	52,600	72,230

EN3 - TOTAL ENERGY CONSUMPTION (Giga Joules)ⁱⁱ

	2013	2014
Electricity (MALL CONSUMPTION)	1,904,076	1,926,898
NON-RENEWABLE	52,600	72,230
RENEWABLE	6,392	2,413
TOTAL	1,963,068	2,001,541

EN6 - ELECTRICITY SAVINGS DUE TO VSD INSTALLATIONS^{iv v}

	2014
KWH	189,432,280
GIGA JOULES	681,956

EN5ⁱⁱⁱ - MONTHLY ENERGY INTENSITY (MALL) - MJ/sqm

	2013	2014
	46	45

* The above information is based on the SM Prime Sustainability Report 2014, page 22 to 23.

ⁱ Restated, removed tenant electrical consumption as it is part of (Scope 3), not (Scope 2)
ⁱⁱ Energy (Joule) equivalent = Consumption * Density * Heat Value
 Diesel: Density = 836 kg/m³, Heat Value = 45 MJ/kg
 Gasoline: Density = 735 kg/m³, Heat Value = 45 MJ/kg
 LPG: Density = 560 kg/m³, Heat Value = 49 MJ/kg
 CNG: Density = 175 kg/m³, Heat Value = 48 MJ/kg
 Conversion Factors: 1 Liter = 1,000 m³, 1 MJ = 1,000,000 Joule
ⁱⁱⁱ Includes energy intensity from fuel, electricity, and cooling consumption
^{iv} For only 41 malls as others are not serviced by ESCO
^v The base years used ranges from year 2000 up to 2013 based on the start of ESCO's involvement with the 41 malls.

Through partnership with ESCOs, air-conditioning management systems are also utilized to help monitor and control real-time temperatures within the building.

To date, SM Prime has taken the lead in having a more deliberate approach in energy efficiency. In the subsequent years, SM will embark on a more comprehensive approach to attain conservation of energy.

Water Management

As noted in the SM Prime's Sustainability Report for 2014, given the average daily foot traffic of over 3 million visitors in SM malls, the overall water consumption at the 55 malls and other commercial properties reached 11,720,548 m³ in 2014, with majority sourced from local water distributors.

Out of the overall consumed water, 31% was reused, and translates to 3,590,606 m³. This is equivalent to nearly 1,400 Olympic-sized swimming pools.

EN8 - WATER CONSUMPTION BY SOURCE*

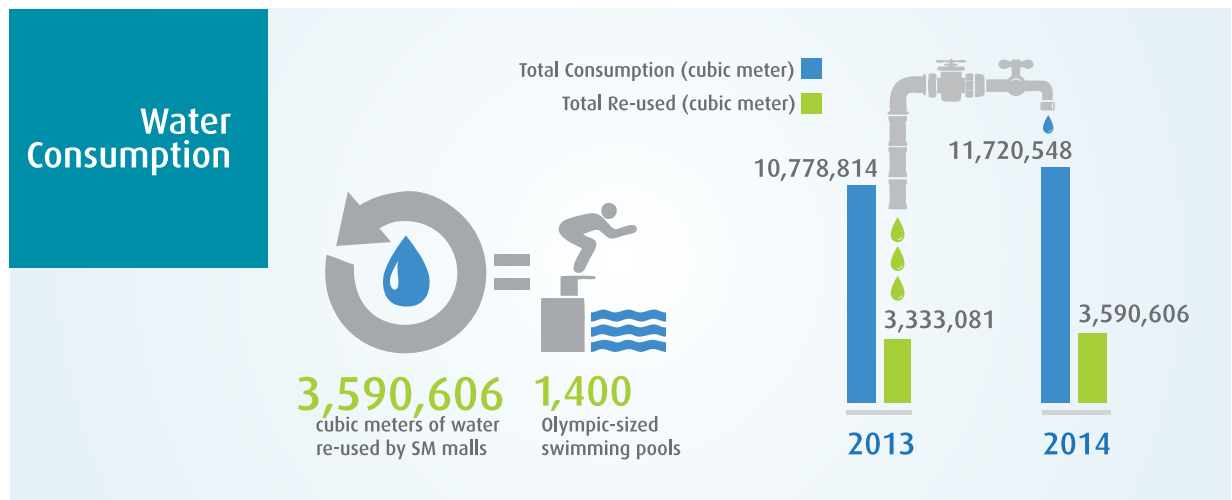
	2013 (m ³)		2014 (m ³)	
Water Provider	9,677,863	90%	10,708,583	91%
Deepwell	995,994	9%	889,213	8%
Water Hauler	104,957	1%	122,752	1%
TOTAL	10,778,814		11,720,548	

EN8 - WATER CONSUMPTION*

	2013 (m ³)		2014 (m ³)	
Tenant	6,097,398	57%	6,011,709	51%
Mall	4,681,416	43%	5,708,839	49%
TOTAL	10,778,814		11,720,548	

*Source: SM Prime Sustainability Report 2014

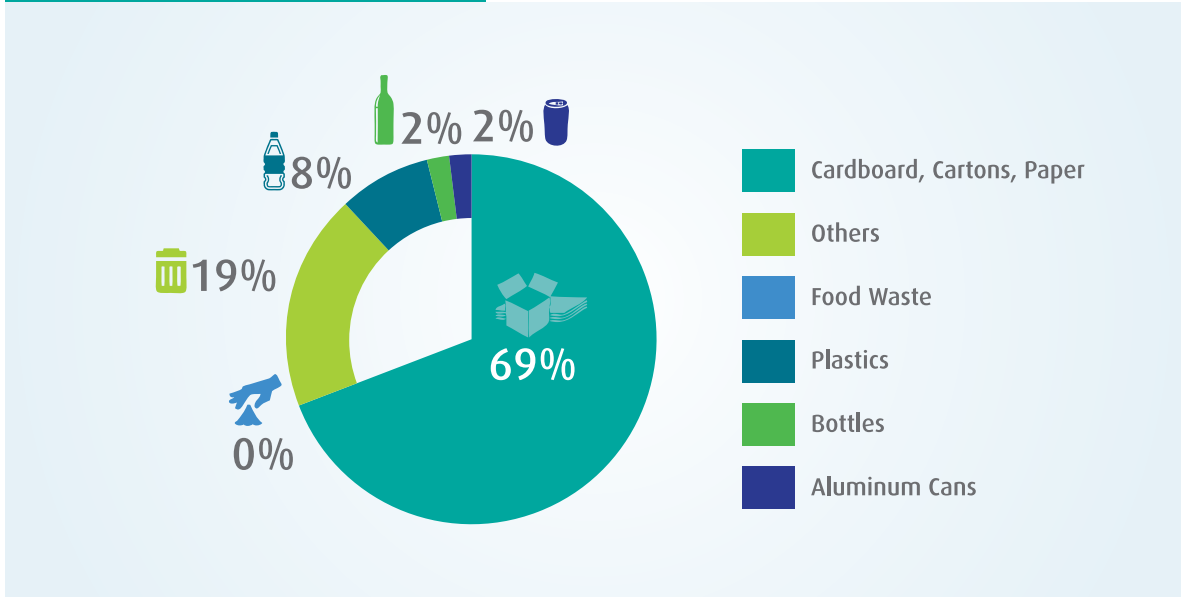
The malls recycle its water with the use of sewage treatment plants. Treated water becomes part of the non-potable supply of the malls which is used for the malls' cooling towers, toilet flushing, irrigation and grounds keep up. The treatment plants feature



*Source: SM Prime Sustainability Report 2014

*The above information is based on the SM Prime Sustainability Report 2014, page 23 to 24.

Recycled Waste*



*Source: SM Prime Sustainability Report 2014

sequential batch reactors that reduce power consumption in the process of waste water treatment.

Solid Waste Management

According to the SM Prime Sustainability Report 2014, the SM Supermalls highlights waste management in its operations. Malls continuously monitor its waste generation and the implementation of its policies on waste disposal. Under the Tenant Solid Waste Management Program, tenants are required to segregate their waste before collection and storage in materials recovery facility prior to the collection by government certified haulers and recyclers.

Since 2007, a recycling market called “Trash to Cash” continues to raise awareness in the community on the environment efforts of the

mall. Through these efforts, the malls have recycled 44% of its generated solid waste with the remainder being delivered to government – accredited landfills and garbage disposal facilities.

The property development in Hamilo has also taken comprehensive steps in solid waste Management. In partnership with World Wildlife Fund (WWF) Philippines, the Solid Management Waste Plan of Hamilo may be summarized in three steps: (1) waste segregation, (2) materials recovery, and (3) residual site management.



*The above information is based on the SM Prime Sustainability Report 2014, page 24.

To reduce residual waste, Hamilo developed its own vermicomposting site where green and other biodegradable wastes are composted.

Air Quality Management

In support of Republic Act 9211, SM malls implement a no-smoking campaign to reduce pollution and improve air quality within the mall area. Not limited to the malls, SM as a group has created designated smoking areas to ensure air quality within its office premises.

SM malls feature bus bays and transport terminals, requiring all transport operations to submit certificates of emission tests for all units plying the malls.

None of SM malls nor its offices are located in nationally declared protected areas and have no direct nor significant effects on biodiversity, especially endangered species. SM Prime reports no spills of any material form from its facilities during this reporting year.

Greenhouse Gas Emissions

All of SM malls in the Philippines and China emitted a total of 740,988 metric tons of CO₂ equivalent for 2014 with only 2% as direct emissions (Scope 1), 44% from indirect emissions (Scope 2), and 54% from other indirect emissions (Scope 3). These emissions come from several sources in the malls' operations. Majority come

OVERALL EMISSIONS (TONS OF CO₂E)^{vi vii}

SCOPE	SOURCE	2013	2014
1	Diesel	3,862	5,326
	Gasoline	54	53
	Refrigerant	4,833	7,543
	STP	747	1,272
	CNG	411	136
2	Mall Electricity	319,808	322,767
	Tenant Electricity	342,219	365,281
3	LPG	30,905	38,442
	Mall Logistics	174	168
	TOTAL	703,013	740,988

ⁱSource: SM Prime Sustainability Report 2014, page 25.

from consumption of LPG for food preparation, diesel and gasoline for generators and vehicles, refrigerants for air conditioning systems, compressed natural gas for heating (CNG) among others. Consumption patterns for these items have categorized under the Greenhouse Gas Protocol's definition of scopes.

For detailed information on SM Prime's Sustainable Operations, you may refer to the SM Prime Sustainability Report 2014 at www.smprime.com.

^{vi} Emissions factors and GWP were sourced from IPCC (http://www.ipcc-nggip.iges.or.jp/public/2006gl/pdf/2_Volume2)

^{vii} Emissions include CO₂, CH₄, N₂O



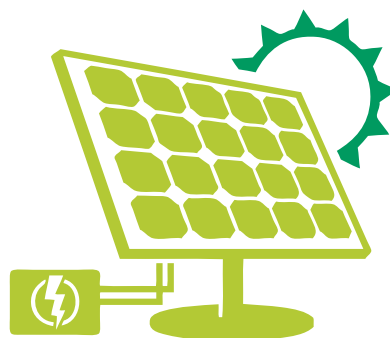
Renewable Solar Energy

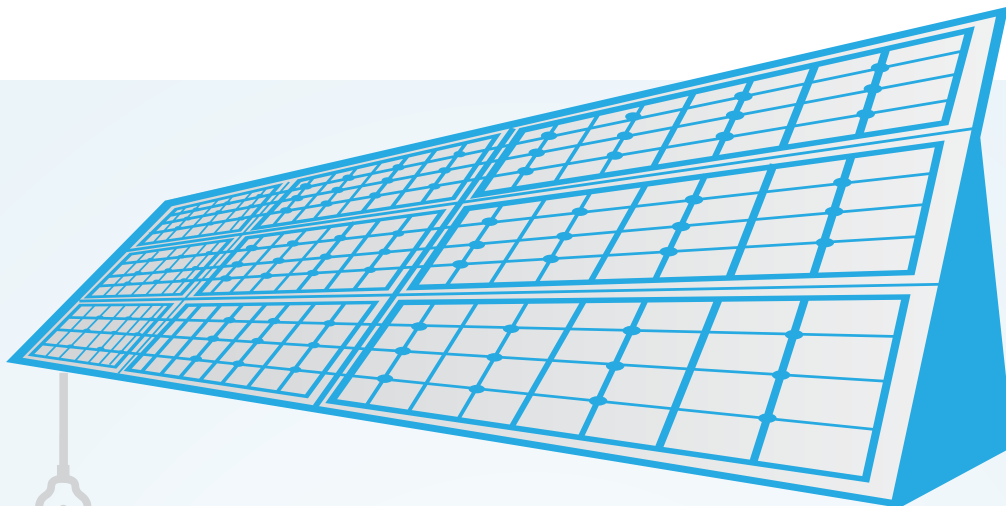


This section on renewable solar energy is based on the SM Prime Sustainability Report 2014.

SM Prime strengthened its commitment towards sustainable energy with the launch of 5,760 solar panels on the rooftop of SM City North EDSA (Quezon City) in November 2014. President Benigno S. Aquino III and SM Prime President Mr. Hans T. Sy led the “switch-on” ceremonies of the solar powered rooftop.

With the foresight to offset the potential energy shortage from 2015 onwards, SM Prime partnered with Solar Philippines to install the solar panels that would generate up to 1.5 megawatt power. The power generated from the solar panels could offset 1,200 tons of CO₂ per year, the equivalent of planting 6,000 trees.





The Solar Panel rooftop generates
1.5 megawatts of electricity
that can power any of these:



fully charges
214,285
cellphones



powers **1 million**
laptops running
at 4 hours a day



powers
150,000
10 watt lightbulbs



powers
13,500
16cu.ft refrigerator/freezer
running 24 hours a day



powers
170,000
30 watt
electric fans



powers **136,000**
microwave ovens
running at 1 hour a day



offsets
1,200 tons of CO₂
or equivalent to planting
6,000 trees per year



Biodiversity, Terrestrial Ecosystems and Marine Life

Environmental protection and preservation is showcased in SM's Hamilo Coast asset in Nasugbu, Batangas a sprawling 5,600 hectare property reserved for tourism-related development.

Since 2007, Hamilo Coast has worked in partnership with World Wildlife Fund (WWF) Philippines on environmental programs aimed at preserving the quality of its natural surroundings with three focused areas: renewable energy through solar power, waste management and the conservation and preservation of biodiversity of marine life, flora and fauna in the area.

Hamilo has a 30-kilometer coastline with 13 coves. SM has taken the initiatives to advocate for three of its coves to be declared as Marine Protected Areas (MPA) which makes them subject to the Reef Check system of both Hamilo Coast and the government program, while a monthly inspection is done to check coral damage and parasite infestation like the

Crown-of-Thorns starfish. This status has been granted by the government.

Giant clams are also being actively seeded to help regenerate marine life. Giant clams not only provide reef structures because of their shell but also filters out nutrients that foster the growth of macro algae. Moreover, the beaches of Hamilo coast are protected and restricted as natural nesting grounds for marine turtles.

Hamilo also expanded its coastal resources management program to include the terrestrial environment, initially by conducting an inventory of terrestrial species (flora and fauna). Moreover, a total of 10,000 mangrove seedlings have been planted to date. The mangrove forest now covers a total of 10 hectares, a natural breeding ground for marine species. Integral to SM is its steadfast commitment and responsibility to creating a sustainable environment for the communities it serves.



Environmental Awareness Programs

SM supports environmental programs focused on sustainability by raising awareness, conservation and preservation and disaster resilience. Through the Foundation, SM raises awareness on environmental issues through several programs across its businesses.

Grow a Million Trees

Grow a Million Trees is a tree planting project championed by the SM Food Retail group in partnership with SM Foundation, the Department of Social Work and Development (DSWD) and the Department of Environment and Natural Resources (DENR). It was inspired by Join the M.O.B. program and was initially funded by the plastic bags sold during the Join the M.O.B. program. Volunteerism is encouraged throughout the SM group of companies with the objective to plant and grow one million trees in identified focus areas across the country. SM also works in partnership with Unilever, which committed to plant 10,000 trees in Tacloban to help re-grow the green that was lost during typhoon Haiyan. To date, the collected efforts of SM employees and volunteers together with the companies that pledged trees for the campaign, have planted 426,186 saplings.



OTHER ENVIRONMENTAL PROGRAMS

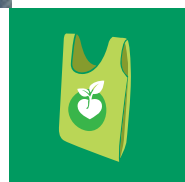
The Green Retail Agenda

The annual Green Retail Agenda aims to discuss the latest in environmental innovations not just for its thousands of tenants but for the public in general. The annual Green Film Festival also showcases films about the environment to students who can watch them for free.



Trash to Cash Campaign

“Trash to Cash” is a recycling market program where the public is encouraged to exchange their recyclable materials for cash. The program has resulted this year in converting Php47 million worth of recycled goods.

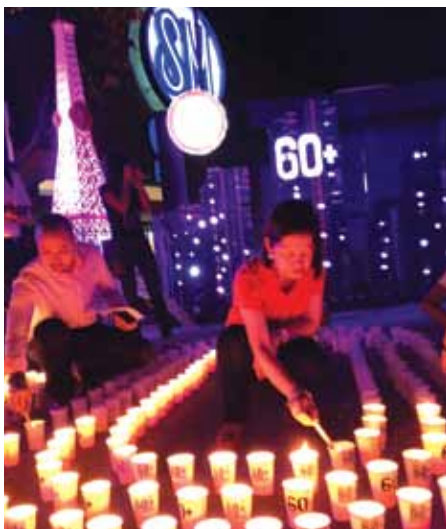


Join the M.O.B. (MyOwnBag) Campaign

In 2009, the SM Food Retail Group launched the Join the M.O.B. Campaign and has become one of the greatest movements to reduce the use of plastic bags in the country. It aims to change consumers’ “single-use, throw-away” attitude towards plastic bags by replacing it with a habit of using re-usable bags while shopping. Join the M.O.B. is carried out in select SM Markets stores



where Wednesdays are declared plastic-free and requests for plastic bags come with a minimum fee. Customers are introduced to the SM Greenbag which is made of tough, washable, non-woven material which can hold the contents of two large plastic bags and last over two years. Today, SM Greenbags come in several types addressing varying shopping needs. Two SM Advantage Card points are given for every Greenbag used. As of November 2014, over 50 million SM Advantage Card points have already been awarded to loyal SM Greenbag patrons.



In partnership with World Wildlife Fund (WWF), the SM group annually shuts off its lights to participate in the Earth Hour Campaign, the world's largest celebration to raise awareness of the world's need to conserve energy and other environmental concerns.

Feature: SM Prime Partnership with UNISDR

SM Prime works in partnership with the United Nations International Strategy for Disaster Reduction (UNISDR).

In July 2014, SM Prime president, Mr. Hans T. Sy attended the Annual General Meeting of the UNISDR-Private Sector Advisory Group in Paris, France to discuss the private sector's commitment to the creation of the Post-2015 Hyogo Framework for Action. Last November 10, 2014, SM Prime organized a private sector conference led by Ms. Margereta Wahlstrom, Special Representative of the Secretary General for Disaster Risk Reduction.

As the only Philippine private sector member of the UNISDR Private Sector Advisory Group, Mr. Hans T. Sy continues to play a leadership role in the reduction of risks posed by the vulnerability context of the Philippines.

For more detailed information on the UNISDR partnership, please refer to the SM Prime Sustainability Report 2014 which may viewed at the Company website: www.smprime.com.



A decorative laurel wreath arches over the text. Below the text are several icons representing awards and citations, including a shield with a ribbon, a trophy, a star, and another trophy.

Awards and Citations



CNBC

Mr. Henry Sy, Sr.

Lifetime Achievement Award

Asia CEO Awards

Mr. Henry Sy, Sr.

Lifetime Contributors Award

BizNewsAsia

Ms. Teresita Sy-Coson

Entrepreneurship
Excellence Award

The Asset Corporate Awards

Platinum Awardee (2009-2014)

For All Around Excellence in:
Management
Financial Performance
Corporate Governance
Investor Relations
Social Responsibility

Finance Asia Best

Managed Companies Awards

Best Managed Company (6th)
Best Corporate Governance (4th)
Best Corporate
Social Responsibility (3rd)

Jose T. Sio Best CFO (3rd)

**Finance Asia Fixed
Income Poll Awards**

Best Borrower
in the Philippines

**Alpha Southeast Asia
Institutional Investor
Corporate Awards**

Most Organised
Investor Relations
Best Strategic Corporate
Social Responsibility
Best Senior
Management IR Support
Strongest Adherence
to Corporate Governance
Mr. Jose T. Sio
Best CFO in the Philippines

**Corporate Governance
Asia Awards**

Asia's Icon on
Corporate Governance

**CG Asia Asian Excellence
Recognition Awards**

Best Corporate
Communications Team
Best Corporate
Social Responsibility
Best Investor
Relations Company

Jose T. Sio

Asia's Best CFO
(Investor Relations)

Corazon P. Guidote

Best Investor
Relations Professional

Yazhou Zhoukan

Global Chinese
Business 1000

Anvil Award

2013 SM Unified
Annual Reports
- Silver Award



People Asia Magazine

Mr. Hans T. Sy

People of the Year Award
for Sustainability

BizNewsAsia

Mr. Hans T. Sy

Management
Excellence Award

Asia CEO Awards

SM Prime Holdings, Inc.

KPMG Executive Leadership
Team of the Year Award

SM Cares - Finalist in the CSR
of the Year Award

The Asset Corporate Awards

Platinum Awardee (2010-2014)

For All Around Excellence in:
Management
Financial Performance
Corporate Governance
Investor Relations
Social Responsibility

**Corporate Governance
Asia Awards**

Asia's Icon on
Corporate Governance
Mr. Hans T. Sy - Asian
Corporate Director Award

AWARDS AND CITATIONS

CG Asia Asian Excellence Recognition Awards

Best Investor Relations Company
Best Environmental Responsibility

Hans T. Sy

Asia's Best CEO
(Investor Relations)

Jeffrey C. Lim

Asia's Best CFO
(Investor Relations)

Mall China Golden Mall Awards

SM City Xiamen/ SM Lifestyle Center

City Advancement Award

SM City Chengdu - Community Shopping Center Award

SM City Chongqing - Regional Shopping Center Award

Philippine Retailers Association Outstanding Filipino Retailers and Shopping Centers of the Year Awards

SM Center Muntinlupa

Shopping Center of the Year (Small Category)

Sustainable Business Awards

SM Supermalls

- Strategy and Vision

Radisson Blu Hotel Cebu

- Special Recognition for Climate Change and EarthCheck Silver Certified

2014 ASEAN Best Practice for Energy Management in Buildings and Industries

SM City Davao

SM City Naga

World Bank Philippine Chiller Energy Efficiency Project (PCEEP)

SM Supermalls -

Certificate of Recognition

Department of Energy

Don Emilio Abello

Energy Efficiency Awards

SM City Clark - Hall of Fame

SM Center Las Pinas,

SM Center Muntinlupa,

SM Center Valenzuela - Citation

SM City Batangas,

SM City Bacolod, SM City Bacoar,

SM City Cebu, SM City Fairview,

SM City Iloilo, SM City Lipa,

SM City Lucena,

SM City Manila

- Outstanding Award

BSP Stakeholders Award

SM Lifestyle Entertainment, Inc.

Outstanding Partner for Currency Information Program



Interbrand's

Top 30 Best Retail Brands 2014

SM - 9th Best Retail Brand

in Asia-Pacific

Philippine Retailers Association Outstanding Filipino Retailers and Shopping Centers of the Year Awards

Ms. Teresita Sy-Coson

PRA President's Award / Philippine Retailing's Woman Visionary Leader

THE SM STORE - Hall of Fame

in the Full Line Department

Store Category

Forever 21

Foreign Fashion Apparel Award

(Large store category)

Ace Hardware

Foreign Brand Category Killer

Licensing Industry

Merchandisers Association

THE SM STORE

Best Licensed

Retailer of the Year

Apolinario Mabini Awards for Disabled-Friendly Establishments

THE SM STORE Makati, Marilao,

Baliwag, Ortigas and Las Pinas

- Bronze Award



Philippine Retailers Association Outstanding Filipino Retailers and Shopping Centers of the Year Awards

SM Supermarket

Best Supermarket

SM Hypermarket

Best Hypermarket

Department of Trade and Industry Bagwis Seal of Service Excellence

SM Supermarket - Corporate

Gold Bagwis Seal of Excellence

Store Level Gold Bagwis Seals

SM Supermarket - 38 Gold Seals

SM Hypermarket - 11 Gold Seals

Savemore Market - 26 Gold Seals

Sunstar Best of Cebu Award

SM Supermarket

SM City Cebu and Consolacion

Savemore Parkmall, Elizabeth Mall,

Canduman, Basak, Mactan,

Maribago and Carcar



**Corporate Governance
Asia Awards**

Ms. Teresita Sy-Coson

Asian Corporate Director Award
BDO - Asia's Icon on Corporate Governance

**CG Asia Asian Excellence
Recognition Awards**

Teresita Sy-Coson

Asia's Best CEO
(Investor Relations)
Best Corporate Communications Team
Best Corporate Social Responsibility
Best Investor Relations Company

Luis Reyes, Jr.

Best Investor Relations Professional

The Asset Corporate Awards

Platinum Awardee (2010-2014)
For All Around Excellence in:
Management
Financial Performance
Corporate Governance
Investor Relations
Social Responsibility

**The Asset Triple A
Country Awards Southeast Asia**

Best Domestic Bank in the Philippines

BDO Capital and Investment Corp.

Best Domestic Investment Bank

BDO Capital and Investment Corp.

Best Deal Category for Century Pacific's IPO

**Alpha Southeast Asia
Institutional Investor
Corporate Awards**

Best Bank
Best Trade Finance Bank
Best FX Bank for Corporates and Financial Institutions

**BDO Capital and
Investments Corporation**

Best Investment Bank

BDO Private Bank

Best Private Wealth Management Bank

Asian Banking and Finance

Philippines' Domestic Project Finance of the Year (Wholesale Banking)
SME Bank of the Year (Retail Banking)
Online Banking Initiative of the Year (Retail Banking)

BDO Foundation

Corporate Social Responsibility of the Year, Silver

**Asia Responsible
Entrepreneurship Awards
BDO Foundation**



Philippine Stock Exchange

PSE Bell Award for Good Corporate Governance

**Corporate Governance
Asia Awards**

Asia's Outstanding Company on Corporate Governance

**CG Asia Asian Company
Secretary Awards**

Atty. Corazon I. Morando

Asia's Company Secretary of the Year

Acquisition International

China Bank Acquisition of Plantersbank Deal of the Year and Deal of the Month



**48th Founding Anniversary
of the 520th Air Base Wing
of the Philippine Air Force (PAF)**

For SMFI's Yolanda Relief Efforts during and after the typhoon

Awarding of Unsung Heroes:

Typhoon Yolanda Responders From the Department of Health

26th Annual Perlas Awards

Jose Rizal Award

For Conducting Mobile Blood Donation activities



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