



**SBS PHILIPPINES**  
CORPORATION

Your Strategic Chemical Supply Partner

# Empowering Vision 2030

Together Towards Transformation





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## About the Cover



The 2024 cover reflects the Company's journey toward its 2030 vision, focusing on growth, innovation, and transformation. It represents the organization's commitment to sustainable progress in the chemical distribution industry and highlights the strong collaboration between its team members, partners, and stakeholders. The design complements the unified look of its key publications, ensuring clear and consistent messaging.

Beyond showcasing goals, the cover embodies the spirit of innovation and progress that drives the Company forward. By fostering trust, championing sustainability, and pursuing excellence, SBS redefines success through lasting partnerships and meaningful achievements. This design serves as a reminder of the Company's mission to inspire change, nurture collaboration, and create a more sustainable future. It honors the shared vision and collective efforts that push the organization closer to its goals for 2030.

# Our Company

SBS Philippines Corporation (the Company or SBS), formerly known as Sytengco Philippines Corporation, was incorporated on July 17, 2001. It changed its present name on November 18, 2014, and the Company became a publicly listed company and admitted to the Main Board of the Philippine Stock Exchange on August 10, 2015.

**The Company is a Corporate Member of the  
Following Industry Association and Business Organization:**

1. Samahan sa Pilipinas Ng Mga Industriyang Kimika (SPIK)
2. Philippine Association of Chemical Suppliers, Inc. (PACSI)
3. Philippine Chamber of Commerce & Industry, Inc. (PCCI)
4. Philippine Food Processors and Exporters Organization, Inc. (PHILFOODEX)
5. Philippine Exporters Confederation, Inc. (PHILEXPORT)
6. Chamber of Cosmetics Industry of the Philippines, Inc. (CCIP)
7. Philippine Chamber of the Pharmaceutical Industry, Inc. (PCPI)
8. Philippine Rubber Industries Association, Inc. (PRIA)
9. German-Philippine Chamber of Commerce and Industry, Inc. (GPCCI)

The Company's principal place of business is located at No. 10 Rest Haven Street, San Francisco Del Monte, Quezon City, Philippines. Currently, the Company maintains a network of 15 distribution warehouses in four (4) sites in the Greater Manila Area and in the province of Bulacan which include a Halal-certified warehouse for food ingredients for enhanced presence in specific markets. These storage facilities have a storage capacity of 18,000 metric tons, designed to accommodate various product types to support a wide range of industries. The company prioritizes sustainable practices in its warehouse operations.



# Mission, Vision, Goals, and Core Values

SBS Philippines Corporation (the "Company") is an importer, wholesaler, and distributor of a wide range of chemical products serving a diverse set of industries which includes food and beverage, industrial and detergents, feeds and agriculture, water treatment, pharmaceuticals and personal care, building and constructions, and mining and minerals. As a full line chemical distribution company, it provides for a one-stop-shop business solution for various chemical requirements of its market customers.

In step with best Corporate Governance practices, we revisited and restated our Company Vision, Mission and Core Values statements in 2024 to more clearly reflect our beliefs and aspirations as a Company and provide a clearer reference point for all that we do to build and sustain our future.



## Vision

To be the leading strategic chemical solution partner by 2030, recognized as among the top 5 suppliers in each of the major industries we serve.



## Mission

SBS is dedicated to providing the finest range of chemical products and services while upholding the highest standards of safety, environmental responsibility, and customer satisfaction. We aim to be the go-to partner for businesses seeking chemical solutions that drive progress, protect the environment, and enhance safety. Our success is measured not only in profit but also in the positive impact we make for our stakeholders and in the communities where we operate.



## Goals

We will accomplish our mission by:

- Distributing a wide range of top quality, innovative and cost-efficient products, solutions and systems.
- Extending reliable customer service at all times.
- Nurturing strong, long-term relationships with suppliers, customers and other stakeholders.
- Ensuring the safety and well-being of our employees.
- Expanding our geographical reach by seeking new markets and opportunities.
- Actively managing all identified forms of corporate and environmental risks.



## Core Values

- Customer-centric Mindset
- Honesty and Integrity
- Excellence
- Perseverance
- Mutual Respect and Teamwork
- Faith in God Almighty

# Report Overview

As SBS moves towards its 2030 vision, it remains focused on its mission of delivering high-quality chemical solutions while making a positive impact on society. The Company's annual report provides a comprehensive overview of its financial performance, strategic initiatives, and progress towards its 2030 vision and mission.

It serves as a testament of the Company's commitment to its stakeholders and its dedication to driving progress in the industries it serves.

# The Core Chemical Distribution Business



## ***Food Ingredients***

We pride ourselves on our extensive and ever-expanding range of products, which include sweeteners, stabilizers, emulsifiers, minerals, antioxidants, phosphates, vitamins, hydrocolloids, basic and functional ingredients, acidulants and preservatives.

## ***Industrial***

For more than fifty (50) years, SBS has been supplying the needs of many different Philippine industries. We understand that competitive pricing and superior quality of raw materials ensure that the products of our clients are among the best performers in their respective markets. Whether our customers are big or small, established multinationals or local start-ups, we strive to provide them with our best service.



## ***Animal Health and Nutrition***

SBS Philippines Corporation continues to add value to the Agribusiness, Feeds and Veterinary Care sectors by offering an extensive range of raw materials for formulators and manufacturers. We continually seek new sources of materials to improve the quality of our customers' products and lower their costs.

## ***Pharmaceutical***

Our careful selection of quality products from all corners of the globe allows our stakeholders in the Pharmaceutical and Nutraceutical sectors the freedom to tailor their products and take advantage of innovative technologies and trends.





### ***Personal Care and Cosmetics***

Our careful selection of quality products developed through new technologies from leading raw material manufacturers allow formulators in the Personal Care and Cosmetics sectors to tailor their products according to the needs of their clients.

### ***Infrastructure and Construction***

SBS supplies a range of environment friendly chemical products and additives for:

- waterproofing of concrete structures
- effective dust control of unpaved roads
- enhancing the performance of asphalt road surfaces
- and for an economical and sustainable soil base for most types of road infrastructure.



### ***Water Treatment***

SBS Philippines Corporation has a proud tradition of supplying quality water and wastewater treatment products to many industrial customers and service providers. We know that innovation, safety, efficiency, and dependability are paramount in the treatment of one of the world's most precious resources: water.

### ***Agriculture and Sustainable Bio-Farming***

Through the strengthening of established relationships, SBS Philippines Corporation continues to add value to the Agriculture and Sustainable Farming Sector with supply of quality fertilizers, fertilizer trace elements, soil improvers, and specialty materials.





# Chairman's Message

*"Despite the challenges faced in 2024, SBS has embraced innovation and sustainability to position itself as a leading strategic chemical solution partner for our customers."*

*"With continued efforts to adapt and invest, we are poised to navigate 2025 with resilience and growth."*

Dear Shareholders,

Notwithstanding the economic headwinds encountered at the beginning of last year, the Philippine economy performed well in 2024. According to the Department of Finance, it expanded by 5.6%, positioning it as the second-fastest growing economy in ASEAN. The services sector, particularly financial services, wholesale and retail trade as well as business services led all others in terms of growth. The industrial sector benefited from a slight recovery in goods exports and solid domestic demand. On the negative side, the agricultural sector experienced a 2.2% decline in output, marking a third consecutive quarter of contraction primarily due to adverse weather conditions. Government consumption grew by almost 10% to offset a slowdown in household consumption. Inflation remained manageable as it ranged between 3.1-3.3% during the year. This allowed the Bangko Sentral ng Pilipinas to cut key interest rates twice in the fourth quarter of the year thus setting the stage for continued economic growth in 2025.

As a bellwether of the economy, your company performed just as well given the economic environment. Consolidated revenues rose by 8.2% from P1.035 billion in 2023 to P1.119 billion in 2024. Unfortunately, although gross and operating profits had increased in 2024 from 2023 as a percentage of gross revenues, our consolidated net profit after taxes during the same period declined from P60 million to P13.46 million on account of an increase in finance charges. Consolidated total assets and total equity increased slightly to P8.83 billion and P6.60 billion respectively during the year. Further details about the operating and financial performance of your company will be discussed by our President, Mr. Gerry D. Tan, elsewhere in this annual report.

While the outlook in January 2025 for the New Year suggested that GDP growth could reach as high as 6.1%, optimists were put on notice in March after the Trump administration announced a regime of crippling tariffs on exports of physical goods to the United States. The regime is unprecedented in terms of its scope and magnitude as it applies to almost all countries that engage in trade with the United States. In the case

of Philippine exports, the tariff was set at 17%. The resultant and, at the time of this writing, continuing volatility in global equity, bond and currency markets make it difficult to gauge the likely effect on trade, investment and economic activity around the world. This early, however, many economists are predicting a US and global recession. It remains to be seen how exactly the Philippine economy will fare under these conditions.

It is fortunate that your company began taking measures in 2023 to pivot from its traditional business model to one that will rely on innovation and sustainability to generate growth over the medium-term. You will recall that your board of directors and management set a vision for SBS to become the leading strategic chemical solution partner for its customers by 2030, recognized as among the top 5 suppliers in each of the major industry we serve. We are fortunate that in 2024 Gerry and his senior management team were already targeting several new areas for investment where potential new business ventures can become the engines of future growth and profitability. Moreover, after having identified geopolitical and climate risks that could result in disruptions of raw material importations as well as shifts in supply and demand for chemicals, your company has begun diversifying its sources of supply as well as automating its operations to mitigate these concerns. We will likewise prioritize the use of our cash resources for investment towards core business organic growth and value-enhancing ventures to support the overall growth of our chemical distribution business. I hope that these moves will provide some cushion to whatever events may negatively impact our customers and our business in 2025.

Once again, I offer my wholehearted thanks to my colleagues on the board of directors as well as Gerry and his senior management team for their continued hard work and dedication in the face of all these challenges. Last but not least, I thank you our shareholders for your continued support and trust in our stewardship.

With warmest regards,



**RICARDO NICANOR N. JACINTO**

CHAIRMAN OF THE BOARD



# President's Report

*"As we embark on another transformative year, SBS Philippines Corporation remains steadfast in its pursuit of excellence, sustainability, and innovation.*

*Together with our dedicated team members, valued partners, and loyal stakeholders, we continue to redefine success by nurturing collaboration, fostering trust, and achieving meaningful progress."*

Dear Shareholders,

The global chemical industry experienced a rebound of demand in 2024 as inventory normalized following the inventory destocking actions taken by customers in 2023. The global growth of the chemical industry was estimated at 3.9% in 2024 with significant variation from region to region. In the Asian region, China's chemical production was estimated to have grown by 6.8%, India at 4.5%, while the rest of the region posted an average growth of 2.2%.

Your Company registered an increase of 8.2% in sales revenue compared to the prior year despite of an increasingly competitive environment and volatility of the Philippine Peso last year. As we embark on another transformative year, SBS Philippines remains steadfast in its pursuit of excellence, innovation and sustainability. Together with our highly dedicated team, valued business partners and stakeholders, we continue to redefine success by nurturing collaboration, fostering trust, and achieving meaningful progress.

Let me now share with you our Financial and Operational Performance for 2024 in detail as well as the business direction of your Company for 2025.

## Financial Performance

In 2024, your Company generated total consolidated revenues of P1.12 billion, an 8.2% increase from total revenues of P1.03 billion in the previous year. The sales volume grew by 13.0% while average prices decreased by 4.8% as a result of increasing competition across the supply chain. The softening of prices resulted in a slower increase of 5.2% or P34.5 million increase in the cost of goods sold from P667.8 million in 2023 to P702.2 million in 2024, benefiting your Company with margin improvement.

As a result of higher sales volume and a 1.8 percentage point improvement in gross margin due to lower cost of goods sold, SBS gross profit improved by 13.7% or P50.0 million from P366.1 million in 2023 to P416.1 million in 2024. In addition, the Company's other operating income increased by P2.2 million or 22.8% from P9.8 million in 2023 to P12.1 million in 2024, driven mainly by service-related fees.

Meanwhile, the Group's operating expenses increased only by P8.5 million, or a modest 4.5%, from P189.0 million in 2023 to P197.5 million in 2024. The increase was mainly driven by higher sales-related expenses and depreciation and amortization costs associated with new warehouse facilities. As a result of operational efficiencies, the Group's operating profit increased by P43.8 million or 23.4% from P187.0 million in 2023 to P230.7 million in 2024.

In 2024, your Company registered equity in net losses of associates amounting to P39.4 million, up by P21.3 million from P18.1 million in 2023, primarily due to the absence in 2024 of one-time gains recognized by an investee company in 2023 from the sale of property. Your Company's consolidated finance costs increased by 30.5% or P45.4 million from P149.1 million in 2023 to P194.5 million in 2024 due to higher bank loan interest rates in 2024 and foreign exchange loss incurred amounting to P5.6 million due to Philippine Peso volatility. On the other hand, the Group's finance income decreased by P17.3 million from P59.1 million in 2023 to P41.8 million in 2024, mainly due to lower interest income recognized on refundable deposits. This resulted in a profit before tax of P38.7 million and a net profit of P13.5 million for 2024 as compared to P79.0 million and P60.0 million, respectively, in 2023.

The Group's total assets slightly increased by P142 million, or 1.6%, from P8.69 billion in 2023 to P8.83 billion in 2024. Meanwhile, total liabilities also increased by P137 million from P2.09 billion in 2023 to P2.23 billion in 2024. Total equity attributable to shareholders had increased by P18.0 million from P5.87 billion in 2023 to P5.89 billion in 2024, reflecting the net income generated attributable to the shareholders of SBS after deducting the payment of cash dividend amounting to P8.5 million in June 2024 and net of the revaluation reserves adjustment for the year.

### **Operation Performance**

The parent company's sales revenue for the period increased by P86.0 million or 8.4% from P1.03 billion in 2023 to P1.11 billion in 2024, with increasing sales volumes in all our key market segments.

Food Ingredients remained the largest contributor to total revenue, accounting for 32.6%, followed by Animal Health and Nutrition (27.9%), Industrial Chemicals (15.7%), and Home & Personal care (12.1%).

For the year 2024, SBS had served 1,127 active customers. Your Company also conducted a random survey on the customers' satisfaction level every quarter to measure four key parameters that the Company considered as essential in serving the customers. The 2024 customer survey covered a total of 120 respondents with the following satisfaction ratings: pricing (92%); delivery (100%); quality (100%); customer service (100%). We had seen a remarkable improvement of the customer satisfaction compared to the prior year. We use the customers' feedback to continuously improve our work processes.

Your Company acquired in 2024 building improvement consisting of three (3) contiguous warehouse buildings located in Marilao, Bulacan as part of our direction to strengthen our warehouse site network to serve the north Luzon markets. SBS also increased our in-house and outsourced delivery fleet capability to meet the growing customer demand in a timely manner. This allows us to improve our on-time delivery to 98.7% in 2024. These investments were made to ensure that SBS continuously provides efficient and cost-effective supply chain solutions for our customers.

On the regulatory front, the Bureau of Animal Industry (BAI) has transferred the product registration requirement of several raw materials from its Veterinary drugs and products (VDAP) registration to Feed and Feed Ingredient product registration, depending on the dominant usage of the raw materials concerned. This will now require an annual renewal of the registrations of these products, thereby adding to the volume of administrative work and related registration costs for the Company. In addition, SBS will have to increase the carrying inventory for these products at the end of each calendar year to mitigate the risk of supply chain disruption in the event of a delay in the annual renewal of the products' registration. Your Company also underwent several internal and external quality audits in 2024 conducted by Internal Auditors and Clients, reflecting the importance we place on quality and transparency.

SBS has achieved zero work-related injuries and zero lost time due to accidents from September 2022 to the end of 2024. Your Company has continued and will continue to implement health and safety initiatives across the workplace and warehouses designed to mitigate the risk of operational disruption and provide a healthy and safe environment for all our stakeholders.

## Sustainability

In 2024, your Company continued to progress as well in our sustainability commitments. A Level 1 energy audit was conducted to evaluate our current energy usage patterns, to identify areas of inefficiency and to provide cost-effective energy usage reduction solutions without limiting SBS growth in our focused areas. We adhere to Environment, Social, and Governance (ESG) standards, recognizing the importance of these criteria in measuring our impact on society and ensuring long-term success.

I would like to highlight key achievements that your Company had done in 2024:

- 57% of the Company's electricity consumption was obtained from renewable energy sources;
- Achieved 35% reduction in total GHG emission in 2024 compared to established baseline figures with our target to achieve 50% reduction by 2030;
- SBS employees clocked in an average of 18 training hours per employee;
- Attained a cumulative total of 481,639 Safe Man-hours without any lost work day at the end of 2024.

SBS reinforces its commitment in ensuring the sustainability of its business by managing the economic, environmental, social and governance effects of its operations in a responsible manner.

A copy of the full 2024 Sustainability Report can be downloaded from your Company's website [www.sbsph.com](http://www.sbsph.com).

## 2025 Business Plans

For 2025, in light of the anticipated supply chain challenges that the industry faces coupled with foreign exchange volatility, a proactive inventory management is one of our key focus for this year. In addition, in line with our 2030 vision to be the leading strategic chemical solution partner for our customers, we have identified the following key priorities:

- First, we continue to invest in our sales and marketing resources focused on our core segments: Food Ingredients, Animal health and nutrition, and Industrial Chemicals;
- Second, we are adding technical capability in our growing segments, Home and Personal care and Environmental and Infrastructure, through a strong collaboration with our suppliers in providing technical support and innovative solutions to customers;
- Third, provide the necessary support to our subsidiary, SBS Holdings and Enterprises Corporation, as they embark to create revenue stream on a regular basis from the property holdings of its associate companies.

The SBS management and staff will continue to work together with unwavering determination to drive positive change for a brighter, sustainable future for your Company. This shared commitment inspires us to push boundaries and make impactful contributions towards our vision for 2030. In this regard, I would like to express my sincere appreciation to the whole organization.

Finally, to our shareholders, customers, suppliers, and all other stakeholders, thank you for your continued trust and support!

Sincerely,

  
**GERRY D. TAN**  
PRESIDENT & CEO

# SBS on Sustainability

## Our Philosophy

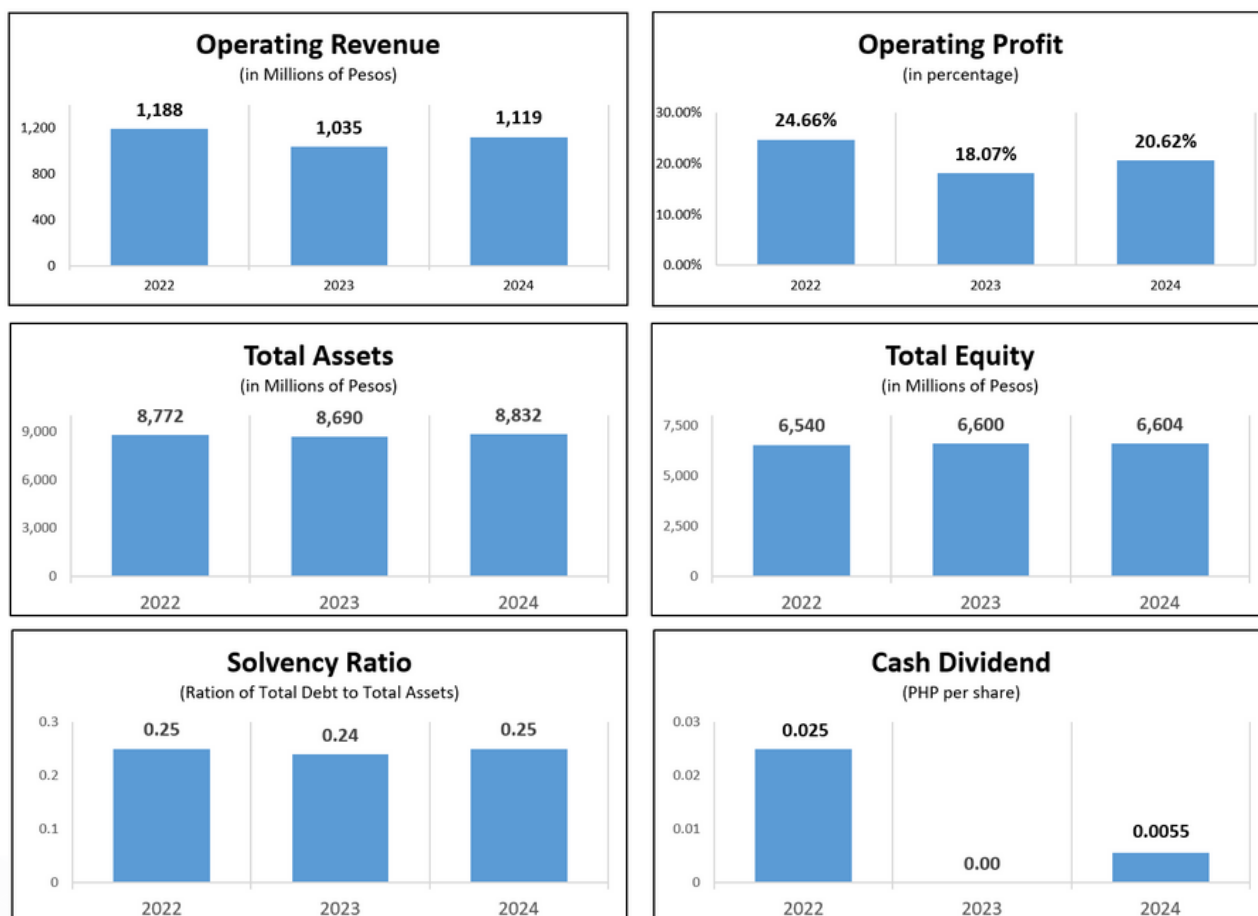
SBS Philippines Corporation takes a holistic approach to sustainability, as detailed in our Sustainability Policy ([SBS Sustainability Policy](#)). Our focus on Environment, Social, and Governance (ESG) standards recognizes the importance of these criteria in measuring our impact on society and ensuring the Company's long-term success.

## Our Commitment

- Provide service excellence and continuously seek new business opportunities to improve the Company's financial viability and maximize shareholder value.
- Prioritize the introduction of sustainable products and solutions to offer our customers access to eco-friendly and safe raw materials, additives, and process aids across the entire value chain.
- Operate the company in a safe working condition that protects the health and well-being of our employees, service providers and the communities we operate in.
- Create a dynamic workplace environment anchored on a diverse and passionate workforce, investing in our employees' professional and personal development, and respecting every employee's fundamental right at work.
- Promote a strong corporate governance culture and conduct its business following ethical business principles across the organization.
- Intensify our action in support of circular economy and invest in appropriate technology to reduce greenhouse gases emission and enhance the use of available environmental protection initiatives needed as a result of our operations.
- Collaborate with our business partners, customers, local communities, regulators, civil society, shareholders and other stakeholders to advance all efforts including our Corporate Social Responsibility activities in support of United Nation's Sustainable Development Goals.



## Performance Highlights



*\*For 2023: Declaration of 22% stock dividend. Record date and payment date to be determined upon approval by the SEC of its application for ACS increase.*

## In Review

2024 was a year of strategic adaptation and continued resilience for SBS Philippines Corporation as it navigated evolving market conditions and reinforced its commitment to operational efficiency and growth. The Company remained steadfast in strengthening its supply chain capabilities while leveraging emerging opportunities to maintain its position as a leading distributor of chemical products and solutions.

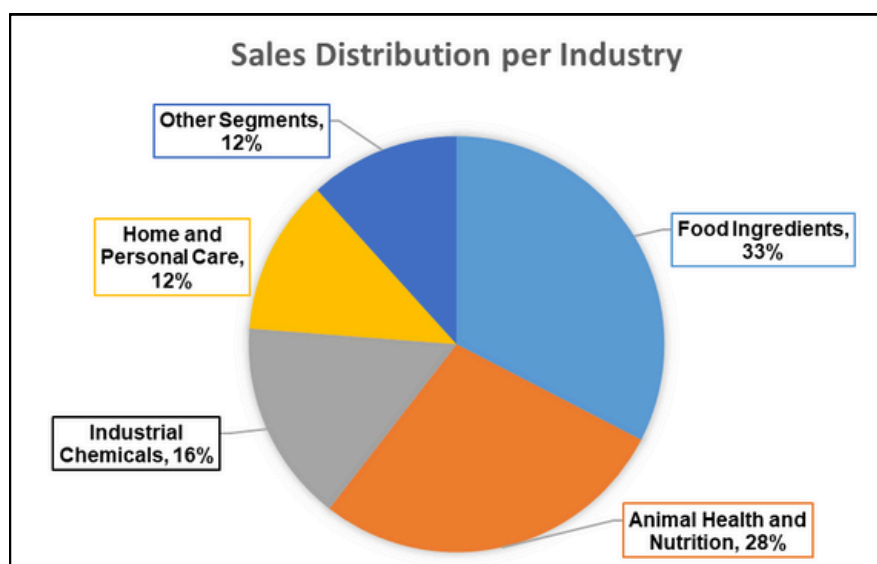
### Results of Operations

In 2024, SBS and its subsidiary ("the Group") reported consolidated sales revenue of P1,112.9 million from its core chemical distribution business and P6.3 million from consultancy income. The Group reported net finance costs of P152.7 million and incurred equity in net losses of associates amounting to P39.4 million. Consolidated profit before tax amounted to P38.7 million, while tax expense closed at P25.2 million, resulting in consolidated net income of P13.5 million for the year.

The Group generated net cash of P911.8 million from operating activities and used P303.7 million in investing activities and P117.8 million in financing activities, primarily for loan settlements and capital investments.

### Core Chemical Distribution Business

Revenues from the core chemical business increased to P1,112.9 million, up by P86.0 million or 8.4% from P1,026.9 million in 2023. The growth was attributed to recovery in demand across key segments, particularly in Food Ingredients and Animal Health and Nutrition. Sales of Food Ingredients accounted for 32.6% of total revenue, while Animal Health and Nutrition, Industrial Chemicals, Home and Personal Care, and Others segments contributed 27.9%, 15.7%, 12.1%, and 11.7%, respectively.



The gross profit margin improved by 1.9 percentage points, benefiting from better procurement strategies and price stabilization in key raw materials. However, operating expenses increased by 5.8% mainly due to higher business taxes, sales-related and personnel-related expenses.

Despite these challenges, operating profit for the core chemical business in 2024 improved by P41.4 million or 20.8% from P199.0 million in 2023 to P240.4 million in 2024.

The Company continued to invest in strengthening its logistics and warehousing capabilities through the acquisition of a warehouse building, delivery vehicles, and warehouse equipment, as well as development of an inventory management system. These initiatives amounted to a total capital expenditure of P61.1 million for the year.

### Property-Related Investments

SBS Holdings and Enterprises Corporation (“the Subsidiary”) primarily engages in strategic investments in companies possessing prime parcels of land. Its other business segments include property management and leasing, along with the distribution and sale of construction materials.

For 2024, the Subsidiary reported revenues of P6.3 million from consultancy services, complemented by an additional P2.7 million generated from various management services.

During the same period, the Group made deposits for future stock subscriptions amounting to P614.4 million in several other associate companies.

As of the close of 2024, the Group’s investment portfolio encompasses holdings in 25 associate companies, with 21 of them having investments in landholdings in prime areas in Metro Manila or in other urban cities.

### Financial Condition

This section discusses the consolidated financial statements covering the Company and its subsidiary (the Group).

#### Assets

As at 31 December 2024, total assets amounted to P8,832.0 million, 1.6% up from last year of P8,689.9 million. Total assets in 2024 consist of P2,331.0 million in current assets and P6,501.0 million in non-current assets compared to P2,487.8 million in current assets and P6,202.1 million in non-current assets in 2023.

Cash and cash equivalents increased by 66.2% or P489.8 million from P739.4 million in 2023 to P1,229.2 million in 2024. For the current period, total cash collection amounted to P2,899.9 million and was received from the following: P1,670.0 million from proceeds of loans; P911.8 million generated from operating activities; P287.0 net proceeds from refund of investment subscription and P31.1 million of interest received.

On the other hand, cash disbursements or settlements for the period amounted to P2,410.1 million, comprised of the following: P1,502.1 million in loan repayments; P614.4 million advance payments for investment subscriptions; P181.1 million in interest payments for bank loans and bank trust receipts; P96.1 million for payment of lease liabilities; P8.5 million in dividend payments; P6.9 million for acquisition of property and equipment; P0.5 million on foreign exchange effect and P0.4 million for acquisition of computer software.

Trade and other receivables decreased by P356.3 million or 73.1% from P487.2 million in 2023 to P131.0 million in 2024 mainly due to collection of non-trade receivables.

The inventory level went down by P18.5 million or 2.3% from P793.9 million in 2023 to P775.4 million in 2024 as a result of higher inventory turnover in 2024.

Prepayments and other current assets decreased by P271.8 million from P467.3 million in 2023 to P195.5 million in 2024 due primarily to the reduction in refundable deposits. Other non-current assets in 2024 increased by P15.5 million to P2,439.7 million in 2024 from P2,424.1 million in 2023 mainly due to additional investment subscriptions during the year.

Investment in associates increased by P271.2 million or 9.4% from P2,894.8 million in 2023 to P3,166.0 million in 2024 with the re-classification from investment subscription reflected under non-current assets to investments in shares of associate companies amounting to P310.6 million and partially offset by the net equity losses of P39.4 million.

Property and equipment value increased by P51.3 million from P92.5 million in 2023 to P143.9 million in 2024, as a result of P61.90 million in acquisition of property and equipment and partially offset by P10.6 million depreciation of the assets.

Right-of-use assets decreased from P164.9 million in 2023 to P125.8 million in 2024, with P42.2 million charged to depreciation and amortization and partially offset by P3.1 million additions during the year.

### *Liabilities*

The total liabilities as at 31 December 2024 amounted to P2,227.6 million, 6.6% higher from P2,090.3 million in 2023. Total liabilities consist of P1,852.2 million in current liabilities and P375.4 million in non-current liabilities in 2024 compared to P1,465.8 million in current liabilities and P624.5 million in non-current liabilities in 2023.

Current loans payable increased by 29.6% or P346.8 million from P1,171.1 million in 2023 to P1,517.9 million in 2024 with new loan drawdowns of P1,670.0 million and recognition of current portion of long-term loans of P177.5 million partially offset by loan repayments of P1,502.1 million during the year. Non-current loans payable decreased to P307.2 million in 2024 from P485.3 million as result of reclassification of P177.5 million to current loans.

Trade and other payables increased by P43.3 million from P289.6 million in 2023 to P332.9 million in 2024 mainly due to the increase in trust receipts payable and trade payables.

There is no income tax payable as at December 31, 2024 as compared to P3.4 million income tax outstanding as at December 31, 2023.

Current lease liabilities as at December 31, 2024 was at P1.4 million, down by 18.1% from P1.7 million in 2023. Non-current lease liabilities outstanding as at December 31, 2024 decreased by P85.5 million to P35.7 million in 2024 from P121.2 million in 2023. Lease payments of P96.1 million were made during the year, partially offset by interest accretion of P7.3 million and recognition of new lease liabilities amounting to P3.1 million.

Net deferred tax liabilities increased from P6.6 million in 2023 to P17.1 million in 2024 mostly due to recognition of deferred taxes on leases.

Security deposit increased by P1.9 million in 2024, compared to zero in 2023, as a result of a new property management contract entered into during the year.

Post-employment defined benefits obligation increased by 16.8% or P1.9 million from P11.6 million in 2023 to P13.5 million in 2024. The increase was due to the recognized re-measurements on deferred benefits obligation and the related interest cost.

#### *Total equity*

The total equity as at 31 December 2024 was P6,604.4 million, 0.1% higher compared to P6,599.6 million in 2023. Total equity in 2024 consists of P1,550.0 million in capital stock, P2,242.8 million in additional paid in capital stock, P1,760.0 million in retained earnings, P341.0 million in stock dividends distributable, P3.7 million in revaluation reserves and P714.3 million of equity attributable to non- controlling interest. For the period ended 31 December 2023, total equity consists of P1,550.0 million in capital stock, P2,242.8 million in additional paid in capital stock, P1,741.8 million in retained earnings, P341.0 million in stock dividends distributable, P3.6 million in revaluation reserves and P727.5 million of equity attributable to non- controlling interest.

Retained earnings increased by P18.1 million or 1.0% from P1,741.8 million in 2023 to P1,760.0 million in 2024 as a result of the Group's consolidated net income attributable to shareholders of P26.7 million, partially offset by payment of P8.5 million cash dividends during the year. Meanwhile, the equity attributable to Non-controlling interest decreased by P13.2 million or 1.8% from P727.5 million in 2023 to P714.3 million in 2024 mainly due to the recognition of net loss for the period of the subsidiary.

### **SBS Philippines Corporation and Subsidiary**

#### **Schedule of Financial Indicators for December 31, 2024, 2023, and 2022**

	<b>2024</b>	<b>2023</b>	<b>2022</b>
Liquidity Ratio <sup>1</sup>	125.90%	169.70%	168.50%
Debt to Equity Ratio <sup>2</sup>	33.70%	31.70%	34.10%
Asset to Equity Ratio <sup>3</sup>	133.70%	131.70%	134.10%
Return on Assets <sup>4</sup>	0.20%	0.70%	1.20%
Return on Equity <sup>5</sup>	0.20%	0.90%	1.60%
Interest rate coverage ratio <sup>6</sup>	0.98	1.15	3.36
Earnings per Share <sup>7</sup>	PHP 0.02	PHP 0.03	PHP 0.08

<sup>1/</sup> Current Assets over Current Liabilities

<sup>2/</sup> Total Liabilities over Equity

<sup>3/</sup> Total Assets over Equity

<sup>4/</sup> Net Income over Average Assets

<sup>5/</sup> Net Income over Average Equity

<sup>6/</sup> Earnings before interest and taxes (EBIT) divided by interest expense

<sup>7/</sup> Net Income over Weighted Average of Common Outstanding Shares



# OUR BOARD OF DIRECTORS

**ESMERALDO A. TEPACE** Executive Director   **NECISTO Y. SYTENGCO, II** Vice Chairman   **AYLENE Y. SYTENGCO** Vice Chairperson   **ROBERTO F. ANONAS, JR.** Independent Director   **LALI Y. SYTENGCO** Executive Director



**RICARDO NICANOR N. JACINTO**  
Chairman

**HELEN T. DE GUZMAN**  
Independent Director

**GERRY D. TAN**  
President and CEO

**CHRISTINE P. BASE**  
Corporate Secretary

**GEOCEL D. OLANDAY**  
Lead Independent Director

# Corporate Governance Framework

## Corporate Governance Philosophy

The trust of our stakeholders is fundamental to the business of SBS Philippines Corporation (the “Company”) and is the source of its success and growth.

The Company is committed to preserving this relationship of trust by ensuring that its corporate value system, business and organizational culture, policies and relationships are geared towards responsible leadership, decision-making, stewardship and service. These are reflected in the corporate governance framework of the Company that is structured to provide for the necessary oversight to promote transparency, accountability, integrity and efficiency in the Company’s business operations and governance to ensure that shareholder value is maximized legally, ethically and sustainably.

In general, the Company’s corporate governance practices follow the guidelines set in the SEC Code of Corporate Governance for Publicly Listed Companies as well as the recommended international best practices on corporate governance based on the G20/OECD Principles of Corporate Governance and the Association of Southeast Asian Nations Corporate Governance Scorecard. In recognition of the Company’s corporate governance performance in alignment with these recommended corporate governance standards, the Company, for the fifth consecutive year, was again the recipient of the latest Golden Arrow Award for corporate governance by the Institute of Corporate Directors (ICD) in 2024, the Philippine domestic ranking body for the ASEAN Corporate Governance Scorecard, having achieved a 2-Arrow recognition for garnering a score of 92.95%.

The overview of the Company’s corporate governance practices in 2024 are described below. A full report on the Company’s compliance with the guidelines set under the Code of Corporate Governance for Publicly-Listed Companies is provided in the 2024 Integrated Annual Corporate Governance Report, a copy of which is available at the Company’s website at <https://www.sbsp.com/disclosure-filings/corporate-governance/annual-corporate-governance-reports/> and at [https://edge.pse.com.ph/openDiscViewer.do?edge\\_no=96efb2575a9e8d99abca0fa0c5b4e4d0](https://edge.pse.com.ph/openDiscViewer.do?edge_no=96efb2575a9e8d99abca0fa0c5b4e4d0).

## The Board of Directors

### *Board Responsibility*

The Company’s corporate powers are exercised, and its business conducted by the Board of Directors (the Board).

The Board of Directors (the “Board”) is the principal governing body responsible to oversee the business and affairs of the Company and chart its sustainable development goals. The Board works together to provide strategic direction, entrepreneurial leadership and responsible stewardship guidance to Management. It is responsible, among others for reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments, and the risk management system and mechanisms designed to ensure compliance with applicable laws, such as those relating to tax, competition, labor, environmental, digital security, data privacy and personal data protection, and health and safety.

### *Board Structure and Diversity*

The Board of Directors, headed by its Chairman who is a non-executive director, currently comprises of nine (9) directors, five (5) of whom are executive directors with specialized competencies in business

management, supply chain, sales and marketing, and finance and the rest by non-executive directors, three (3) of whom are independent directors, comprising of 1/3 of the Board, with specialized competencies in audit and internal control, corporate governance and risk management, business development and strategy formulation.

There is an appropriate degree of female representation (1/3 of the Board) and age diversity (ages 40-74) in the Board composition. In consideration of the highly regulated and competitive nature of the chemical distribution business, the Company sees the need for specialized expertise in the chemical distribution business and deep operational experience in the Company among majority of the Board of Directors as an essential element in attaining its strategic objectives and achieving sustainable development for the Company.

The Board requires the presence of six (6) directors to constitute a quorum for the transaction of corporate business. This represents two-thirds (2/3) of the total board membership to ensure participation of non-executive and independent directors in the Board deliberation and approval. This mandate for the participation of non-executive directors in the Board processes and the separation of the role of Chief Executive and Board Chair strengthens the objectivity of the Board and its independence from Management.

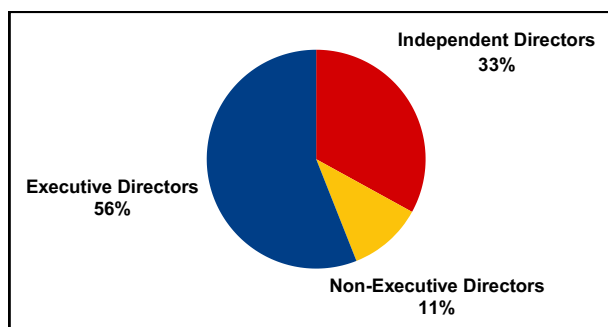
The Company promotes an active role for shareholders in the nomination and election of Board members. Nominations of Board members are made by shareholders and facilitated by the Nomination and Remuneration Committee of the Board who reviews and assesses the abilities and suitability of the candidate-nominees to the Board. Full and timely disclosure of the experience and background of candidates for the Board, including information about any other board positions and compliance with applicable independence criteria for independent directors are provided to the shareholders.

The members of the Board are elected during each regular meeting of the shareholders by the vote of shareholders representing the majority of the issued and outstanding capital stock of the Company. Any vacancy occurring in the Board other than by removal of a director prior to the expiration of such director's term may be filled by a vote of at least a majority of the remaining members of the Board, if still constituting a quorum. Otherwise, the vacancy must be filled by the shareholders at a meeting duly called for the purpose. Any director elected in this manner by the Board shall serve only for the unexpired term of the director whom such director replaces and until his successor is duly elected and qualified.

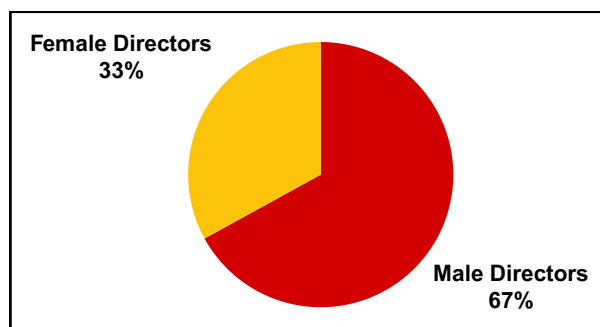
A comprehensive induction training is organized for new Board members which includes the conduct of orientation briefings by senior executives, the Compliance Officer and Corporate Secretary to ensure that the new director shall have a thorough understanding of the statutory duties of a publicly listed company, an overview of the Company's operations and regulatory and industry developments affecting the Company's businesses as well as the Board's terms of reference and director responsibilities. New board members are also provided with a Board kit comprising of a collection of governance guidelines and policies such as those to govern communications and disclosures, share transactions, conflict of interests, anti-bribery & anti-corruption, and related party transactions.

As part of the continuing development program for the members of the Board, the directors attended various corporate governance courses conducted by the Institute of Corporate Directors, Philippine Stock Exchange, Securities and Exchange Commission, and Center for Global Best Practice in 2024. Topics covered during these sessions are based on an individual's requirements for enhancement of their knowledge and skills such as Risks and Resilience in the World of Artificial Intelligence, AI in Governance and Leadership, the Next Level in ESG & Sustainability: Going Beyond Compliance and Reporting, Climate Scenario Analysis as an ESG Risk Management Tool, among others. These ongoing training helps Directors keep abreast of current trends and issues facing the business while enabling them to update and refresh the skills and knowledge necessary for the performance of their duties effectively.

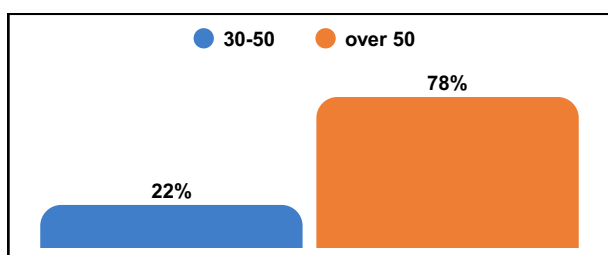
### Independence



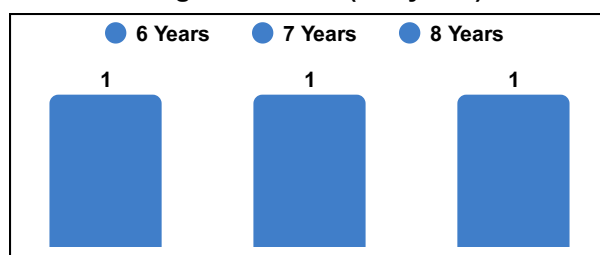
### Gender Diversity



### Age Group of SBS Directors



### SBS Independent Directors length of service (# of years)



### Skills and Attributes of the Board of Directors

	BOARD OF DIRECTORS COMPETENCIES								
Desired/Needed Skills, Experience & Attributes	RNNJ	AYS	NYS	GDT	EAT	LYS	HTG	RFA	GDO
Business Management	✓	✓	✓	✓		✓	✓	✓	✓
Supply Chain		✓	✓			✓			✓
Sales and Marketing			✓	✓	✓	✓		✓	✓
Technology Background		✓	✓	✓	✓				
Finance and Accounting	✓	✓	✓			✓	✓	✓	✓
Audit and Internal Controls		✓				✓	✓		✓
Risk Management	✓				✓	✓	✓	✓	✓
Corporate Governance	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy Formulation	✓	✓	✓	✓	✓			✓	✓
Others	✓		✓				✓		
	Economics		IT						

**RNNJ** - Ricardo Nicanor N. Jacinto  
**GDT** - Gerry D. Tan  
**HTG** - Helen T. De Guzman

**AYS** - Aylene Y. Sytengco  
**EAT** - Esmeraldo A. Tepace  
**RFA** - Roberto F. Anonas, Jr.

**NYS** - Necisto Y. Sytengco, II  
**LYS** - Lali Y. Sytengco  
**GDO** - Geocel D. Olanday

## *Board Processes*

The Board agenda for each meeting is set by the Chairman, with inputs and feedback of Board members taken and considered and prepared in consultation with the President and Company Secretary. Board papers providing comprehensive information on the agenda items are provided to the Directors well in advance of the meeting, generally at least five (5) business days prior to the meeting. At Board meetings, Management personnel who can provide additional insights on the items for discussion are invited. Generally, the items intended for Board action require prior review and endorsement by relevant Board committees whose role is to closely analyze the proposed actions, gather additional information, and provide a recommendation to the Board for its approval.

Directors have open access to Senior Management, the external auditor and all Company-related information for the purpose of carrying out their duties. Provided to the Board on a continuous basis are periodic monitoring reports on sales and financial performance versus budget, regulatory compliance and subsidiary developments as well as strategic and operational plans, investment proposals, and special projects for their review, inputs and approval.

## **Board Committees**

To facilitate effective oversight and decision making by the Board, six (6) standing committees of the Board were constituted to assist the Board in discharging its responsibilities. These are the Audit and Risk Oversight Committee, the Corporate Governance and Sustainability Committee, the Related Party Transaction Committee, the Nomination and Remuneration Committee, the Finance and Investment Committee, and the Executive Committee. The functions of these Committees have been expanded from a strictly monitoring role to provide for more encompassing independent advice to increase the efficiency of the Board by making sure that the decisions are based on due consideration and are free of material conflicts of interest.

The work and actions of these committees are regularly reported to and monitored by the Board. The meetings are conducted in a manner that ensures open communication and meaningful participation. The materials are received in advance to adequately prepare for meeting and the amount of information received appropriate for discussion and decision making purposes.

The key standing committees of the Board, namely the Audit & Risk Oversight, and Related Party Transaction Committees of the Board that oversee relationships with external and internal auditors and transactions with related parties as well as recommendatory advice for Board decision making on matters relating to financial reporting and disclosure, risk management and conflict of interests, are comprised wholly of independent directors.

Similarly, the Nomination & Remuneration, and Corporate Governance & Sustainability Committees of the Board that support the Board to ensure proper compliance with the nomination procedures for qualified board members, the remuneration policy, code of conduct & ethics and advice on sustainability and corporate governance responsibilities are comprised by a majority of non-executive directors including independent directors.

## **Governance Report**

### *Board of Directors' Report*

In 2024, there was a total of nine (9) Board meetings, which included the strategy review in October 2024. All non-executive directors, including independent directors, attended all meetings of the Board and the Committees where they are members. Through their effective participation, the non-executive directors help balance the interests of shareholders, management, and other stakeholders, ensuring accountability and transparency in the decision-making processes. In 2024, all decisions at the Board meetings and Committee meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

2024 Board of Directors			
Composition	Name	No. of Meetings Held During the Year	No. of Meetings Attended
Chairman	Ricardo Nicanor N. Jacinto	9	9
Vice Chairperson	Aylene Y. Sytengco	9	8
Vice Chairman	Necisto Y. Sytengco, II	9	9
Executive Director	Gerry D. Tan	9	9
Executive Director	Esmeraldo A. Tepace	9	9
Executive Director	Lali Y. Sytengco	9	9
Independent Director	Helen T. De Guzman	9	9
Independent Director	Roberto F. Anonas, Jr.	9	9
Lead Independent Director	Geocel D. Olanday	9	9

Non-executive members of the Board regularly conduct executive session meetings amongst themselves. Separate executive session meetings with the external auditors, internal auditor and Chief Compliance Officer were held on December 5, 2024 with all independent directors in attendance. All the directors were also present during the Annual Stockholders' Meeting held on June 5, 2024.

During 2024 and at its meeting held on February 25, 2025, the Board revised and updated some of the key corporate governance policies which are summarized below:

- (a) The Board of Directors reinforced its corporate governance structure by revisiting and updating the Board Charter and the Board Committee Charters in 2024. The Board Charter was updated to align it with the Company's evolving needs, strategy, and new standards under the law and regulations. The Revised Board Committee Charters, namely: The Revised Nomination and Remuneration Committee Charter, Revised Audit & Risk Oversight Committee Charter, Finance & Investment Committee Charter and Revised Related Party Transaction Committee Charter were also updated to better facilitate the work of the Board of Directors through the Committee's monitoring, information, advice and preparation of decisions to be taken by the Board. The copy of the Revised Board Charters is available at the Company's website at <https://www.sbsph.com/wp-content/uploads/2025/01/REVISED-BOARD-CHARTER-17-DEC-2024.pdf> while the Revised Board Committee Charters are available also at the Company's website at <https://www.sbsph.com/disclosure-filings/corporate-governance/governance-committees/>.
- (b) The Board of Directors also updated its Related Party Transactions (RPT) Policy to provide for a comprehensive policy on the handling of any dealings with related parties. It adopted end-to-end best practices in related party governance, from identifying related parties, providing for transparent approval processes, reviewing arm's length considerations and maintaining robust documentation to ensure that transactions with Board members, management executives, significant shareholders and parties and entities related thereto are managed in the best interest of the Company and protecting interests of its stakeholder, including minority shareholders. The revised RPT Policy provide for systematized standards and procedures for the review and approval of related party transactions in accordance with relevant laws, rules, and regulations for better oversight and proper management of related party relationships and transactions, with independent directors taking a crucial and direct role in reviewing the related party transactions as sole members of the Related Party Transaction Committee of the Board tasked with the responsibility to review and monitor related party transactions of the Company. A copy of the Revised Related Party Transaction Policy is available at the Company's website at <https://www.sbsph.com/disclosure-filings/corporate-governance/company-policies/>.

- (c) To foster an honest organizational culture and strengthen stewardship integrity, the Board of Directors has adopted a Revised Whistleblowing Policy to provide for a more robust whistleblowing reporting program that provides employees, stakeholders, and third parties with a secure and confidential platform for reporting any unethical or illegal activities related to the Company's operations. It applies to reports of genuine and legitimate issues or concerns of serious wrongdoing, impropriety or irregularity in the conduct of the business and affairs of the Company involving its personnel, including members of the Board of Directors, officers, and employees (whether regular, contractual or probationary) of the Company as well as its advisors/consultants, third-party business partners, suppliers, customers, service providers and other stakeholders. The revised policy highlights the proactive engagement of whistleblowers in the formal governance with confidentiality as a critical element of the whistleblowing framework for reporting and processing of the concerns disclosed. The revised whistleblowing framework requires regular monitoring of reports, identification of vulnerabilities and taking corrective actions. A copy of the Revised Whistleblowing Policy is available at the Company's website at <https://www.sbsp.com/disclosure-filings/corporate-governance/company-policies/>.

The Board has delegated authority to various committees to deal with specific matters under defined terms of reference. The composition and terms of reference of the Board committees are reviewed as and when appropriate, and at least every two years, to ensure that they remain relevant and in line with the Group's business and changes in governance practices.

### **Audit and Risk Oversight Committee (AROC) Report**

The Audit and Risk Oversight Committee assists the Board in fulfilling its oversight responsibilities with regard to the accuracy, integrity and transparency of the Company's financial statements and its timely disclosures, compliance with legal and regulatory requirements, the Company's independent auditors' professional qualifications and independence, the performance of the Company's independent auditors and internal auditor, and the Company's enterprise risk management framework and associated practices. The AROC is guided by the AROC Charter adopted by the Board, a copy of which available on the Company's website at <https://www.sbsp.com/wp-content/uploads/2024/12/REVISED-AUDIT-AND-RISK-OVERSIGHT-COMMITTEE-CHARTER-17-DEC-2024.pdf>.

The Committee is comprised only of independent directors and meets at least on a quarterly basis or as often as may be necessary. In 2024, the AROC held six (6) meetings with full attendance of all independent director members. The key highlights of the activities of the AROC in 2024 are as follows:

- Reviewed the Company's annual and quarterly consolidated financial statements of the Company and its subsidiary as prepared by Management in accordance with the Philippine Financial Reporting Standards and the Management's discussion and analysis of the financial condition and results of operations;
- Discussed with independent auditor the Company's audited financial statements for 2024 and sought their auditors' judgment on the quality and applicability of the accounting principles adopted, the reasonableness of significant judgments made, their independence for the audit, the adequacy of internal financial controls and the integrity of the Company's financial reporting process, and the adequacy of the disclosures in the financial statements;
- Discussed with internal auditor the adequacy of internal controls and risk assessment & management systems, including the reasonableness and effectiveness of its business continuity plan, and reviewed the responsibilities, functions, qualifications, performance and adequacy of internal audit function,
- Reviewed the periodic report of audit activities, investigations and results of audits undertaken by Internal Audit in accordance with the approved internal audit plan;
- Monitored and tracked the compliances to the Company's Manual of Corporate Governance and periodical reporting to the SEC and PSE and reviewed legal and compliance updates for the conduct of business operations;
- Recommended re-appointment of independent auditors and reviewed and recommended their audit fees and other permissible non-audit services (shareholder voting tabulation) and the corresponding non-audit service fees for Board's approval;

- Reviewed the Company's information systems and data privacy policies and re-assessed the adequacy and effectiveness of the Company's data privacy and personal data compliance programs and cybersecurity risk mitigation measures;
- Undertook an annual performance evaluation of the Committee's effectiveness;
- Reviewed in conjunction with the Corporate Governance & Sustainability Committee the Whistle Blowing Policy and recommended policy refinements for updating and adoption of the Board;
- Reviewed and endorsed for approval of the Board the 2024 Annual Report (17-A);
- Reviewed its own Charter and re-assessed its structure and processes and recommended for proposed revisions to the Board for approval which was adopted;
- Reviewed Company's disclosures regarding Company's annual earnings and other financial information and endorsed the same to the Board for public release; and
- Provided an independent channel of communication for the Chief Compliance Officer, the internal auditor and the independent auditor through the executive sessions held with them.

2024 Audit And Risk Oversight Committee			
Composition	Name	No. of Meetings Held During the Year	No. of Meetings Attended
Chairman (ID)	Helen T. De Guzman	6	6
Member (ID)	Roberto F. Anonas, Jr.	6	6
Member (ID)	Geocel D. Olanday	6	6

*\*Five (5) Regular Meeting, One (1) Executive Session with Chief Audit Executive And Chief Risk Officer, External Auditor, And Chief Compliance Officer*

### Corporate Governance and Sustainability Committee (CGSC) Report

The Corporate Governance and Sustainability Committee of the Board is tasked to assess the effectiveness of the Company's governance, ethics and sustainability policies and its compliance. It assists the Board through periodic reviews and assessments in ensuring that a well-functioning and robust corporate governance framework is in place for the responsible management of the Company's business and its sustainable development. It is also delegated with the authority by the Board to oversee the development and implementation of the Company's sustainability goals.

The annual confidential performance evaluation of the effectiveness of the Board, its committees, and the contribution of each director is conducted annually by the Committee. The quality and efficiency of discussions at Board and Committee meetings are assessed during the annual evaluation of the Board's performance. Other factors considered in the performance assessment include regular attendance during meetings, preparedness for meetings, active participation and contribution to board decisions, strategic insights and candid communication, and diversity of experience and background of directors, among others. The Committee is satisfied that all directors carried out their duties in a professional manner and demonstrated their commitment and availability to attend to the affairs of the Company.

The CGSC is comprised of five (5) director-members, majority of whom are independent directors. It meets at least twice a year or as often as may be necessary. In 2024, the CGSC convened three (3) meetings.

The summary of the activities of the Committee during the year is as follows:

- Discussed future plans and initiatives to enhance corporate governance practices of the Company;
- Reviewed and endorsed for consideration and approval of the Board the following:

- (a) The 2023 Integrated Annual Corporate Governance Report (I-ACGR) of the Company that outlines the Company's commitment to and adherence to corporate governance principles and regulations as recommended under the SEC Manual of Corporate Governance for Publicly-Listed Companies, with the Company in compliance with the all requirements under the Revised Corporation Code and, where appropriate in consideration of the Company's size, complexity, business strategy and markets, adopted the recommended best practices set out in the SEC Manual of Corporate Governance for Publicly-Listed Companies;
  - (b) The 2023 Sustainability Report of the Company providing for the implementation updates and progress on sustainability strategies on the ESG vision and Key Sustainable Development Goals 2030 of the Company;
  - (c) The 2023 Corporate Governance Report for the 2023 Annual Report of Management to the Stockholders;
  - (d) Updated Whistleblowing Policy and Procedure for the proactive engagement of whistleblowers in support of the Company's commitment to ethical behavior and honest organizational culture; which was approved for adoption by the Board;
  - (e) Updated guidelines and procedures for the handling of transactions between the Company and its related parties such as directors, officers, entities and persons in control or with significant influence, with the Revised Related Party Transaction Policy adopted by the Board in 2025; and
  - (f) Updated terms of reference of the Board, the Audit & Risk Oversight Committee, the Related Party Transaction Committee, Nomination & Remuneration Committee, and Finance & Investment Committee for a more enhanced governance structure, with the Updated/Revised Charters approved by the Board with effect in 2025.
- Facilitated the conduct of a third party performance evaluation of the Board and its Committees and the review of its processes and dynamics and discussed the evaluation outcomes;
  - Conducted continuous review of the Board effectiveness by facilitating the annual internal self-assessments of the Board, its Committee, the Board Chair and individual Directors; and
  - Refreshed and updated the annual Board-related evaluation questionnaires to ensure they remain relevant and elicit valuable feedback and actionable insights.

2024 Corporate Governance & Sustainability Committee			
Composition	Name	No. of Meetings Held During the Year	No. of Meetings Attended
Chairman (ID)	Geocel D. Olanday	3	3
Member (ID)	Roberto F. Anonas, Jr.	3	3
Member (ID)	Helen T. De Guzman	3	3
Member (ED)	Necisto Y. Sytengco, II	3	3
Member (ED)	Esmeraldo A. Tepace	3	3

#### Related Party Transaction (RPT) Committee Report

The RPT Committee assists the Board in fulfilling its oversight responsibilities for the prudent and sound management of related party transactions of the Company in alignment with the principles and rules established in the RPT Policy of the Company.

The Committee, composed of three (3) directors, all of whom are independent directors, meets at least twice a year or as often as may be necessary to evaluate transactions of the Company with its related parties to ensure they are carried out in accordance with the corporate interest, on arms'-length terms, and with appropriate protection for the interest of the Company and stakeholders. In 2024, the Related Party Transaction Committee held six (6) meetings.

During 2024, in accordance with the SEC regulations and leading best practices in corporate governance of related party transactions, the RPT Committee reviewed and proposed revisions to the Company's Related Party Transaction (RPT) policy for an enhanced corporate governance framework for the management of related party transactions.

As adopted by the Board in February 2025, the revisions covered definitions of Company's related party relationships and transactions, sets the general criteria and procedure for the review, approval, and ratification of these transactions by the Related Party Transaction Committee of the Board whose members are all independent directors, the Board of Directors, and Shareholders of the Company, where applicable, its disclosure in accordance with Philippine Accounting Standard (PAS) 24 on Related Party Disclosures and the rules of the Securities and Exchange Commission on Material Related Party Transactions, the adoption of materiality thresholds, identification and prevention or management of potential or actual conflicts of interest which arise from RPTs, whistleblowing mechanisms, and restitution of losses and other remedies for abusive RPTs.

In summary, the following factors, among others, are required to be considered in the review and evaluation of Related Party Transactions (RPTs) under the Revised RPT Policy:

- (a) All RPTs entered into by the Company shall be transacted on a fair and arm's length basis. The Company adopts generally accepted practices and principles in determining whether the RPT is at "arm's length" made under terms and conditions no less favorable to the Company than what could be obtained in an arm's length negotiation with a non-related or independent party taking into consideration similar facts and circumstances, and prevailing market terms;
- (b) The RPT shall not be unfairly prejudicial to the Company and other shareholders; and
- (c) The Company shall endeavor to exercise due diligence in determining a fair price for the RPTs. The price discovery mechanism may include, but is not limited to, acquiring the services of an external independent expert such as auditing/accounting firms and third party consultants and appraisers, opening the transaction to a bidding process, or publication of available property for sale.
- (d) For Material Related Party Transactions, either individually or in aggregate over a twelve (12) – month period with the same Related Party, that amount to ten percent (10%) or higher of the Company's total consolidated assets based on its latest audited financial statements, an independent expert report will be required in respect of Material Related Party Transactions to evaluate the fairness of the terms of the Material RPT. The Board of Directors shall appoint the external independent party to prepare such report which shall be provided to the Board of Directors before approval and execution of the relevant transaction.

In addition, the following are the approval protocols for related party transactions, including material related party transactions:

- (a) Review of the Related Party Transaction Committee. Proposals involving related party transactions are referred to the Related Party Transaction Committee for its prior independent review, evaluation and endorsement to the Board of the terms thereof for approval.

However, transactions with an aggregate transaction value in a twelve month period per category amounting to Three Million Pesos (P3,000,000.00) and less and which are recurring, customary or normal transactions in the ordinary course of business, or de minimis, unusual and non- recurring transactions that meet the requirements set out below shall not require the approval by the Related Party Transaction Committee but will require regular reporting to the Related Party Transaction Committee and the Board of Directors on a quarterly basis

- (i) Sharing of administrative and support services (Shared Services and Facilities) for company secretarial and legal services, accounting and treasury services, human resources and general administrative services between the Company and Related Party on a cost basis;
- (ii) Provision of goods or services to a Related Party which is sold or rendered based on terms and conditions that are standardized and apply on an across-the-board basis to a large number of customers;
- (iii) Acquisition of goods in the ordinary and usual course of business from a Related Party on normal commercial terms or at prices or rates established on a general basis by the party acting as supplier of the goods or services; and
- (iv) Compensation of directors and chief executive officer and other benefits which may be offered by the Company to its officers that forms part of their remuneration which are approved by the Board of Directors and endorsed by the Remuneration Committee;

- (b) Approval of the Board. The RPT is subject further to the final review and approval of the Board of Directors, inclusive of the favorable vote to approve by at least two independent directors who have no interest in the transaction.. For Material RPT, the approval of the Board of Directors shall be obtained by affirmative vote of two-thirds (2/3) of the entire membership of the Board of Directors, with at least majority of the independent directors with no interest in the transaction voting to approve the Material RPT.
- (c) Approval of Shareholders. In case that a majority vote of the independent directors is not secured, the Material Related Party Transaction may be ratified by vote of the stockholders representing at least two-thirds of the outstanding capital stock entitled to vote.

The other activities of the RPT Committee during 2024 are as follows:

- Monitored and reviewed the periodic management report on recurring, customary and de minimis related party transactions for the 12-month period ended December 31, 2024;
- Reviewed and issued favorable report to the Board for the approval of the following non-material related party transactions:
  - (i) Lease of an industrial lot for the Company's warehousing operations;
  - (ii) Acquisition of warehouse facilities;
  - (iii) Conditional agreement to invest in share rights of 192,270,000 common shares of the future increase in the authorized capital stock of Milia Holdings Corporation;
- Reviewed and issued favorable report to the Board for the interim funding assistance to subsidiary which was repaid in 2024.

For the period ended December 31, 2024, there were no material self-dealing or related party transactions by any director and with other related parties. The Related party transactions are disclosed in Note 18 to the 2024 Audited Consolidated Financial Statements of the Company, a copy of which may be accessed at the Company's website at <https://www.sbsp.com/disclosure-filings/investors/financial-reports/> and at [https://edge.pse.com.ph/openDiscViewer.do?edge\\_no=3a0f5ffe67c43bb0ec6e1601ccee8f59](https://edge.pse.com.ph/openDiscViewer.do?edge_no=3a0f5ffe67c43bb0ec6e1601ccee8f59).

2024 Related Party Transactions Committee			
Composition	Name	No. of Meetings Held During the Year	No. of Meetings Attended
Chairman (ID)	Roberto F. Anonas, Jr.	6	6
Member (ID)	Helen T. De Guzman	6	6
Member (ID)	Geocel D. Olanday	6	6

### Nomination and Remuneration (NomRem) Committee Report

The Nomination and Remuneration Committee of the Board is delegated with the authority by the Board to review the composition of the Board and Senior Management and lead the screening process for nominations for election to the Board of Directors and the appointments of senior executive officers of the Company with the goal of selecting competent candidates to foster the long-term success of the Company and promote the best interests of its stakeholders. It focuses on building the composition of the Board and of senior management to ensure its current makeup in terms of skills, experience and diversity is best suited for the Company's growth and strategy. Screening for director nominations prioritize skills and attributes for board oversight areas such as finance, risk management and operations while those for executive management, industry, regulatory and environmental/sustainability expertise are the valued competencies.

The NomRem Committee assesses the independence and commitment of independent non-executive directors who were determined to continue to demonstrate strong independence in judgment and free from any business or other relationship which could interfere with their ability to discharge their duties effectively. It also oversees the annual performance evaluation of each director as well as senior officers of the Company on their continuing suitability to their posts. It assists the Board in setting the compensation policies of directors and senior officers and the standards and criteria for their leadership development as well as ensuring that the Company's human capital and talent pool are adequate.

The NomRem Committee is currently composed of four (4) members, which include the Chairman of the Board, the Lead Independent Director, and two (2) Executive Directors. It meets at least twice a year or as often as may be necessary. In 2024, the NomRem Committee held two (2) meetings and the summary of its work during the year is as follows:

- Reviewed the Committee's terms of reference and recommended refinements in the criteria for nominations to the Board in respect of relationships of candidates with competitors, suppliers or customers of the Company and expansion of its role to make recommendation regarding Company incentive compensation plans, including equity incentive plan (ESOP) which had been adopted by the Board and now pending approval of the regulators;
- Undertook an annual performance evaluation of the Committee's effectiveness and reviewed the results of the such internally led evaluation of the Committee;
- Refreshed and updated the Committee's evaluation questionnaires to ensure they remain relevant and elicit valuable feedback and actionable insights;
- Reviewed the composition of the Board and the external appointments of Directors;
- Assessed the independence and commitment of independent non-executive directors who were determined to continue to demonstrate strong independence in judgment and free from any business or other relationship which could interfere with their ability to discharge their duties effectively;
- Nominated Board candidates for election by Shareholders at Annual Stockholders Meeting and corporate officers for appointment by the Board;

2024 Nomination And Remuneration Committee			
Composition	Name	No. of Meetings Held During the Year	No. of Meetings Attended
Chairman (NED)	Ricardo Nicanor N. Jacinto	2	2
Member (ED)	Necisto Y. Sytengco, II	2	2
Member (ED)	Aylene Y. Sytengco	2	2
Member (ID)	Geocel D. Olanday	2	2

### The Finance and Investment Committee (FIC) Report

The Finance and Investment Committee assists the Board in overseeing the financial management of the Company, particularly relating to investments, capital expenditures and financing. It is delegated with the authority of the Board to define the Company policies relating to capital expenditures, liquidity and cash management as well as major asset acquisitions and disposals.

The Committee is comprised of five (5) directors, two (2) of whom are independent directors, and meets at least twice a year or as often as may be necessary. In 2024, it held two (2) meetings and provided below is the summary of its work during the year:

- Reviewed the Company's growth strategy investment requirements;
- Monitored and reviewed the consolidated cash flow projection and requirements and source of funding for 2024, including those of its subsidiary;
- Reviewed debt service requirements for 2024 and funding source;
- Reviewed and endorsed for Board approval the 2024 Capital Expenditures;
- Reviewed and assessed capital call requirements of Associate property holding companies and its financing requirements and made recommendations to the Board for its approval and/or deferral and waiver;
- Evaluated and endorsed for Board approval equity investment proposals for potential new business projects relating to core business;
- Monitored status and progress of income generating projects and opportunities for the property holdings of the Company;

- Monitored and reviewed progress of potential growth strategy investments deals; and
- Reviewed and endorsed the declaration of cash dividends which was approved by the Board for distribution in June 2024.

2024 Finance And Investment Committee			
Composition	Name	No. of Meetings Held During the Year	No. of Meetings Attended
Chairman (ED)	Aylene Y. Sytengco	2	2
Member (ED)	Necisto Y. Sytengco, II	2	2
Member (ED)	Gerry D. Tan	2	2
Member (ID)	Roberto F. Anonas, Jr.	2	2
Member (ID)	Geocel D. Olanday	2	2

### Executive Committee (ExeCom) Report

The Executive Committee take actions on behalf of the Board during the period between Board meetings to address urgent operational matters in the normal routine of managing the principal trade or business of the Company such as the sale or purchase of goods, property or services, leases and non-material transfers, credits and accommodations and attending to compliance matters except the following authorities that are specially reserved for the Board:

- Approval of any action of which shareholder approval is also required;
- Amendment or repeal of By-Laws or adoption of new By-Laws;
- Approval of the annual report and accounts;
- Exercise of powers delegated by the Board to other committees;
- Board appointments and removals;
- Selection of the Chairman and President & Chief Executive Officer and appointments for Board membership following recommendations from the Nomination Committee;
- Appointment or removal of the Corporate Secretary and Treasurer;
- Appointment, reappointment or removal of the external auditor, and
- Distribution of dividends to shareholders.

All actions taken by the Executive Committee are subject to ratification by the Board of Directors at its next meeting which may subject to revision and alteration of the Board provided no rights of third parties shall be affected by such revision or alteration.

In 2024, the ExeCom held a total of nine (9) meetings.

2024 Executive Committee			
Composition	Name	No. of Meetings Held During the Year	No. of Meetings Attended
Chairman	Gerry D. Tan	9	9
Member	Esmeraldo A. Tepace	9	9
Member	Aylene Y. Sytengco	9	9
Member	Necisto Y. Sytengco, II	9	9
Member	Lali Y. Sytengco	9	9

### Accountability and Audit

#### Financial Reporting

The Board receives monthly and/or quarterly updates on the Company's performance, financial position and prospects. In 2024, the Company published its audited annual financial statements and interim quarterly reports on its financial performance within 60 days and 45 days from end of the relevant period respectively.

The Independent Auditors Report on the annual accounts does not provide for any qualification, reservation, or adverse remark and expressed assurance on the fair presentation of the separate and consolidated financial position of the Company and its Subsidiary (the “Group”) as at 31 December 2024 and of the Group’s consolidated financial performance and cash flows for the year then ended.

#### *Risk Management and Internal Control*

Risk management is an integral part of the Company’s strategic and operational planning, as well as day-to-day management and decision making. The Company is committed managing and minimizing risks by identifying, evaluating, and monitoring strategic, operational, legal and external environment risks that may impact its business objectives. It periodically reviews its risk management processes and practices to ensure their effectiveness in safeguarding shareholder investments and Group assets as well as to address new risks situations that may arise from time to time

The Company has in place a Risk Management Program using Key Risk Indicators to monitor the principal risk areas of the Company with the corresponding strategies and measures identified for its treatment, mitigation and control. Annual risk assessments are conducted to update the corporate risk profile and provide for a systematic and proactive identification of emerging risks such as those from heightened competition in the industry, inflation, evolving macro-economic and geo-political developments, and climate related risks and the analysis of its potential impact.

Developing a strong safety culture is an integral part of the Company’s operations. The Company’s operations and financial policies and procedures were developed with safety and risk management objectives in mind to ensure that appropriate procedures are in place to mitigate risks in a timely manner. To promote risk awareness in the entire organization, training programs are regularly held to emphasize the importance of risk management and the risk responsibilities of personnel at different levels of the organization to ensure that sound risk management and safety practices are implemented in day-to-day operations.

As a Company with chemical distribution activities, safety in transport, storage, operational practices and working conditions is a priority focus of its risk management efforts. Faithful observance of safety standards and compliance with workplace safety regulations as well as laws on environment and product safety are closely monitored and incidences assessed for potential issues. The Company employs the Three Lines of Defense approach where, as first line of defense, employees directly manages risk as part of the daily operations by ensuring proper and consistent adherence to Company policies and procedures. The line supervisors and managers as well as the compliance function oversee and monitor such compliances as the second line of defense and lastly, with internal audit reviewing the effectiveness of risk management and internal control processes and recommending improvements where necessary. The Company continuously seeks to improve its processes and enhance its recognition, evaluation and control of hazards. All these are monitored by the Audit and Risk Oversight Committee through the audit reports of internal audit.

The Company maintains an internal control system designed to promote efficiency, reduce the risk of asset loss, and help ensure the reliability of financial statements and compliance with laws and regulations. The effectiveness of the internal control system is monitored and reviewed by the Company’s Internal Auditor to ensure the internal control system is adequate and effective. The Chief Audit Executive periodically reports to the Audit and Risk Oversight Committee on the internal audit activities covering the review of risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Board.

In 2024, there were no significant issues based on the results of the internal audit reviews conducted. The Company’s External Auditors also reviewed the effectiveness of the internal controls related to financial reporting as part of their audit plan for the year. The Company continuously endeavors to further enhance and improve the Company’s system of internal controls.

The Board reviews the adequacy and effectiveness of the Group’s risk management and internal control systems at least quarterly through the Audit and Risk Oversight Committee.

## Protection of Shareholder's Rights and Interests

The Company attaches great importance to the protection of shareholder rights and interests. In line with this, integrity and transparency are top priorities in the Company's relationship with its shareholders.

The Company facilitates the exercise of their rights by ensuring shareholders have the opportunity to participate effectively in and vote at the Shareholders' Meetings either in person or by proxy. To encourage shareholder participation at shareholders' meetings, the Board of Directors ensures that the venue for the meeting is centrally located and easily accessible by public transportation and that the voting procedures are explained in advance. Notice of shareholder meetings is communicated to shareholders through the Company website and the PSE Edge Disclosure System. Shareholders are furnished with sufficient and timely information concerning the date, format, location and agenda of shareholder meetings, as well as fully detailed and timely information regarding the issues to be decided at the meeting which are provided in the Information Statement that is sent to them well ahead of the meeting, at least 28 days in advance, to enable them to make informed decisions on matters submitted for their consideration. Resolutions on each agenda item are tabled separately to enable shareholders to vote for each item and the results of the votes taken are reported during the meeting and made publicly available in the Company's website the day following the meeting. Shareholders are given the opportunity to communicate their views and direct questions to Directors and Senior Management regarding the Company during shareholder meetings and by communicating through the Company's Investors Relations Office.

Under the Company's By-Laws, each holder of the Company's common share has full voting rights. Each stockholder is entitled to one vote for each share of the capital stock held by the stockholder, in person or by proxy, except in the election of directors where one share is entitled to as many votes as there are directors to be elected. With respect to nomination of candidates to the Board of Directors, the Nomination and Remuneration Committee ensures proper compliance and transparency with the nomination procedures, with full and timely disclosure of the experience and background of candidates for the Board as well as information about their other board positions as provided in the Information Statement to the Shareholders.

To ensure equitable treatment of shareholders and enable Shareholders and other stakeholders to keep abreast of the Company's business and developments, information on its financial situation, performance, sustainability, ownership, and governance are disseminated in a timely and regular basis via the Philippine Stock Exchange Edge Portal, the Company's website, press releases, annual reports, and during shareholders' and analysts' or investors' meetings.

The Company has updated its policy regarding transactions with related persons to ensure it shall be approved and conducted in a manner that protects the interests of the Company and its shareholders, where no significant related person transaction shall be consummated or shall continue without being supported by the approval of its independent directors through the Related Party Transaction Committee who takes a prominent role in the management of the conflict of interest and evaluation of the fairness of the transaction. Related party transaction is governed by the principles of transparency, arm's length terms, action in accordance with the corporate interest and equal treatment of shareholders. Only transactions that meet the following characteristics are exempt from this approval: 1) they are on standard terms and conditions applied generally to a large number of customers; 2) they are at prices or rates established generally by the party acting as supplier of the goods or services in question; and 3) they are in an amount that does not exceed PhP3.0 million.

Further, under the Company's Conflict of Interest Policy, members of the Board, management and employees are required to disclose to the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company as well as not to be involved in any decision involving the transaction or matter. No transaction, arrangement, or contract that is material in relation to the Company's business to which the Company or its subsidiary was a party and where a Director or his or her connected entity had, directly or indirectly, a material interest was entered into in 2024 or subsisted at any time during 2024. Neither was there any contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during 2024.

## Stakeholder Relationships

The Company is committed to building strong relationships with all its stakeholders by promoting trust, proper stewardship, and confidence in its integrity.

To ensure that its business is operated responsibly and with integrity, the Company has an established a code of conduct that sets out the personal and professional behavior expected from all its members.

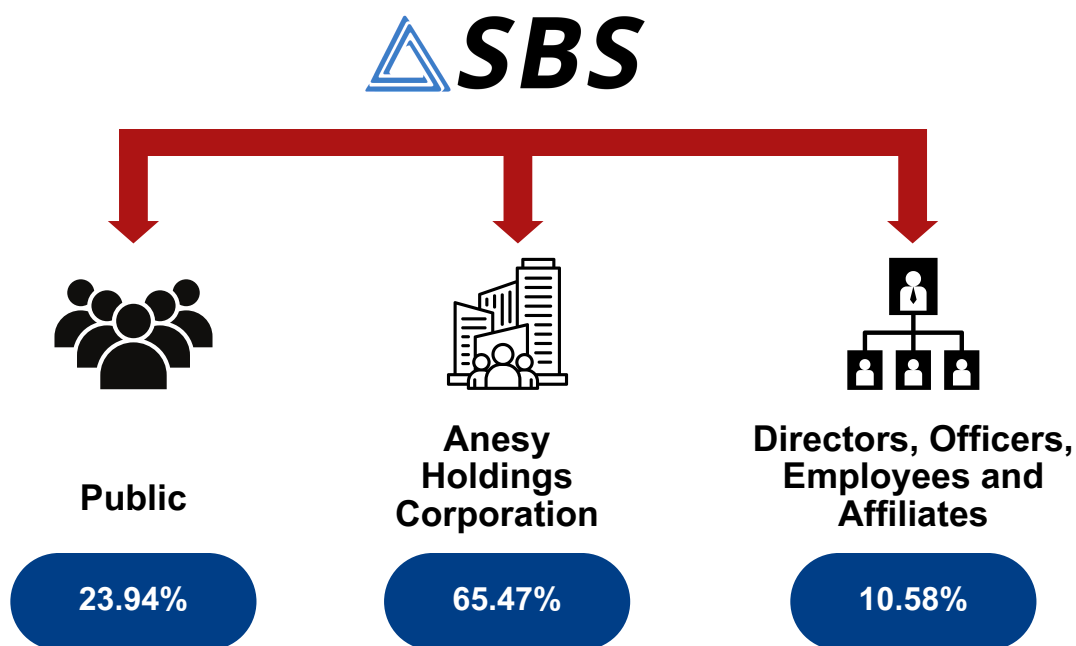
- All directors, officers and employees have a duty to always act in, and uphold the best interests of the Company. They shall work under a culture of integrity and excellence and with a sense of accountability, transparency, and urgency. They are expected not to use their position in the Company to acquire a benefit or advantage for their own or related interests and shall treat everyone with honesty, courtesy, consideration, a friendly spirit of cooperation, and mutual respect. Dealings with suppliers and contractors are to be conducted professionally and objectively, and no director, officer, or employee shall engage in any unfair dealing practices nor take undue advantage of customers, suppliers, business partners, competitors, and the government through manipulation, concealment, or misrepresentation of material facts.
- The Company is committed to promoting the safety, well-being, and professional development of its employees and maintaining a work environment that fosters harmonious, productive working relationships and encourages mutual employee respect. There is zero tolerance for sexual or any kind of harassment and other actions that violate an employee's basic safety or dignity.
- The Company promotes a culture of learning, employee involvement, and a diversity of opinion and open debate. Conflicts or disputes are addressed through discussion, negotiation, mediation, arbitration and lastly resort to judicial processes. The Conflict of Interests Policy provides protocols for the conflict resolution and management.
- The Company imposes disciplinary measures on directors, officers and employees whose conduct deviates from those prescribed under the Company policies and guidelines such as but not limited to those provided under the Company's Revised Manual of Corporate Governance 2021, Code of Conduct and Ethics, Employee Handbook, Conflict of Interests Policy and By-Laws and subject to the grievance procedure and requirements prescribed by law. To date, there have been no instances of disciplinary measures taken on any member of the board or officers of the Company.
- Under the Company's Whistleblowing policy, employees are encouraged to confidently raise genuine issues and concerns of serious wrongdoing, improprieties, or risks in the conduct of the business of the Company to his service line manager. If there are reservations to raise the matter to service line managers, the concern may be elevated either to the Compliance Officer or any of the Independent Directors by submitting an incident report. This policy aims to deter and uncover corrupt, illegal, unethical, fraudulent conduct that is detrimental to the interests of the Company. There have been no whistleblowing cases as of this writing.
- The Company has adopted a code of conduct that prevents its directors and officers from undertaking securities dealing at any time after a price sensitive development has occurred, or has been subject of a decision, until the price sensitive information has been publicly announced.

## Approach to Sustainability

The Company is committed to ensuring the sustainability of its business by managing the economic, environmental, social, and governance effects of its strategies and operations in a responsible manner. Among others, it has adopted enhanced measures to reduce electricity consumption, improve energy efficiency and other resource utilization, minimize waste and increase recycling, and encouraged its employees to adopt environmentally responsible behavior while also promoting environmental protection in its supply chain and marketplace.

A more detailed discussion of the efforts to promote sustainability and resilience of the Company are set out in the 2024 Sustainability Report on Company's sustainability performance as of and for the year ended December 31, 2023 which can be accessed through this link: <https://www.sbsph.com/wp-content/uploads/2025/03/SBS-PHILS-CORP-2024-SUSTAINABILITY-REPORT-FINAL.pdf>.

## Ownership Structure as of December 31, 2024



## SBS Stock Ownership and Share Dealing of Directors in 2024

Name	Security	Direct Shareholdings			
		Balance as of December 31, 2023	Acquired	Disposed	Balance as of December 31, 2024
Board of Directors					
Ricardo Nicanor N. Jacinto	Common	64,583	-	-	64,583
Aylene Y. Sytengco	Common	47,504,580	-	-	47,504,580
Necisto Y. Sytengco	Common	48,307,012	266,000	-	48,573,012
Gerry D. Tan	Common	32,291	-	-	32,291
Esmeraldo A. Tepace	Common	183,016	-	-	183,016
Lali Y. Sytengco	Common	57,736,696	-	-	57,736,696
Geocel D. Olanday	Common	1,000	-	-	1,000
Roberto F. Anonas, Jr.	Common	1,241	-	-	1,241
Helen T. De Guzman	Common	1,000	-	-	1,000

## Quarterly High and Low SBS Share Prices (in Philippine Peso)

	2022				2023				2024			
Quarter	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Low	3.60	3.66	3.40	3.41	3.80	3.85	3.55	3.80	4.00	3.80	3.72	3.20
High	4.30	4.15	4.00	3.95	4.75	4.10	3.99	4.85	4.85	4.30	4.05	5.00

## Corporate Social Responsibility



### Annual donation to Philippine Cancer Society

The Company and the Sytengco Foundation, Inc. value the opportunity to assist communities directly surrounding their operation centers. The Company commits to proactively extending its helping hand to various sectors, involving stakeholders in their desire to help society and countrymen improve their lives.

SBS Philippines Corporation (SBS) reaffirms its commitment to Corporate Social Responsibility (CSR) through its donation to the Philippine Cancer Society. This initiative not only highlights the company's dedication to supporting cancer patients but also emphasizes its broader impact on the community.

SBS presented a check to the Philippine Cancer Society. The donation will support various programs of the Philippine Cancer Society, including patient assistance and other outreach programs. SBS is proud to collaborate with organizations that shares its values of compassion and service.

### SBS and PCS Unite for Life-Saving Cancer Screenings

SBS Philippines Corporation, in partnership with the Philippine Cancer Society (PCS), successfully concluded its breast cancer screening program spearheaded by the Sytengco Group of Companies, this initiative reached women in various neighborhoods, offering critical early detection services that can save lives.



SBS Philippines actively organized the program's logistics, while PCS provided their expertise in cancer awareness and advocacy. Together, they broke down barriers to healthcare, offering hope and support to women and their families. The company commits to enriching lives and promoting sustainability. Through purposeful actions and innovative solutions, SBS constantly supports community-focused programs. Its breast cancer initiative is one among many efforts to create lasting positive impacts on society.

## Plastic Bottle Bin Initiative

SBS Philippines Corporation is proud to announce the launch of its “Used Plastic Bottle Garbage Bin” program, further reinforcing its commitment to environmental sustainability. This initiative aligns with the Philippine government’s efforts to significantly reduce and eventually eliminate plastic waste.



As part of its efforts, SBS Philippines Corporation has successfully implemented this program at its facilities in Marilao, Quezon City, and Malabon. Consequently, the company has seen encouraging results from these initial implementations. Building on this success, the company is now collaborating with local barangay offices to expand the program further. By doing so, SBS Philippines Corporation aims to combat plastic waste, which is a major cause of flooding and pollution in land, water, and marine environments.

## Awards and Recognition

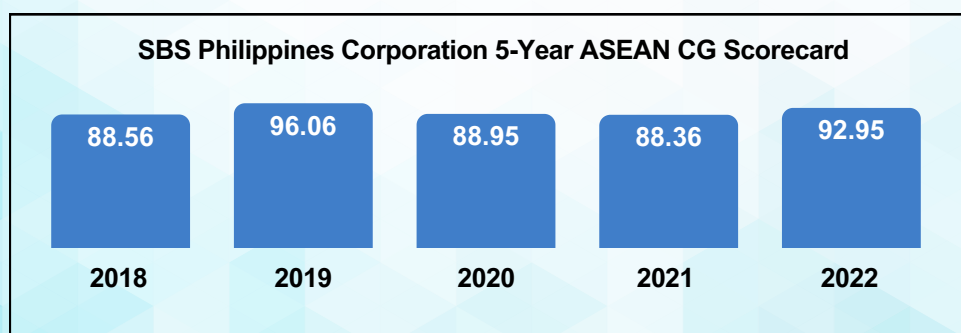
### ASEAN Corporate Governance Scorecard Performance



For the fifth year, SBS Philippines Corporation received the Golden Arrow Award for corporate governance from the ICD. The ICD, the Philippine ranking body for the ACGS, recognized SBS for its governance performance. Moreover, SBS aligned with the recommended CG standards under the Philippine Code of Corporate Governance and ACGS best practices. Consequently, SBS achieved a 2-Arrow recognition based on the 2023 assessment, highlighting its efforts to raise governance standards.

The ICD awards the Golden Arrow to top publicly listed companies in the Philippines scoring 80 points and above. Additionally, the award uses a tiered scoring mechanism with five performance levels, each symbolized by golden arrows. Thus, these scorecards demonstrate a company’s commitment to good corporate governance practices.

SBS actively pursues excellence in corporate governance efforts. Therefore, it strives to exceed the expectations of its diverse stakeholders. Finally, SBS looks forward to advancing its governance practices by fostering a culture of trust, transparency, and accountability.



# Corporate Information

## Board of Directors and Senior Management Profile

**Ricardo Nicanor N. Jacinto**, Filipino, 64 years old, Non-Executive Director of the SBS Philippines Corporation since 2015. He is Chairman of SBS Philippines Corporation since 2020 and concurrently the Chairman of its Nomination and Remuneration Committee. He also is the Board Chairman of Maybank Capital, Inc. and Maybank Securities, Inc., a position he has held since 2020, a non-executive Director of PSE listed company, Metro Retail Stores Group, Inc. since 2023 (formerly an independent director from 2015-2023), an independent director of Maybank Securities (Thailand) Public Co., Ltd. since August 2021 and Etiqa Life and General Assurance Philippines since 2019. He was formerly a Managing Director of Ayala Corporation at the time of his retirement in 2011 and a director of Manila Water Corporation from 2011-2014. He also served in various civic boards as President & CEO of Habitat for Humanity Philippines from 2010 to 2012, as a member of the Board of Trustees of the Judicial Reform Initiative, and of the Institute of Corporate Directors from 2013-2017. Mr. Jacinto earned his BS Business Economics magna cum laude from the University of the Philippines and holds a Master's Degree in Business Administration from the Harvard Business School.

**Aylene Y. Sytengco**, Filipino, 41 years old, Executive Director of SBS Philippines Corporation since 2008. She is the Company's Vice Chairperson of the Board and Chairman of its Finance and Investment Committee since 2020. She is also a member of the Executive Committee and the Nomination and Remuneration Committee. Concurrently, she is the Company's Treasurer since 2008 and Chief Financial Officer since 2013. She also currently serves as an executive director of the Company's various affiliates. She holds a degree in BS Management of Applied Chemistry from the Ateneo De Manila University and completed her executive education from Stanford Graduate School of Business.

**Necisto Y. Sytengco II**, Filipino, 40 years old, Executive Director of SBS Philippines Corporation since 2010. He is the Vice Chairman of the Company since 2020 and a member of the Executive, Corporate Governance & Sustainability, Nomination & Remuneration, and Finance & Investment Committees of the Board. He started in the Company as Purchasing Officer in 2008, became its VP Sales in 2010 and SVP – Marketing Operations in 2015

concurrent with his appointment as Assistant Treasurer. He also currently serves as an executive director of the Company's various affiliates. Mr. Necisto Y. Sytengco II has more than 15 years of experience in the distribution and chemical business. He earned his BS Entrepreneurial Management Degree cum laude from the University of Asia and the Pacific.

**Gerry D. Tan**, Filipino, 58 years old, Executive Director of SBS Philippines Corporation since 2016. He joined the Company as President & Chief Executive Officer in 2016. He is the Chairman of the Executive Committee since 2020 and a member of Finance and Investment Committee of the Board. Mr. Tan has over 35 years of experience in the chemical distribution industry in the Philippines and the Asia-Pacific region. Prior to joining the Company, he was Senior Adviser and General Manager of Bluestar Silicones Asia-Pacific and a Board director of Bluestar Silicones Shanghai. He led a successful career spanning key senior positions at Bluestar Silicones Asia-Pacific (2007 – 2015), Rhodia Silicones Asia-Pacific (1998-2007) and Rhone-Poulenc Philippines (1986-1998). Mr. Tan earned his BS Chemistry degree, magna cum laude, from Silliman University and holds a Master's Degree in Business Administration from the Ateneo de Manila University.

**Esmeraldo A. Tepace**, Filipino, 71 years old, Executive Directors of SBS Philippines Corporation since 2015. Mr. Tepace joined the Company in 2004 and has served as its Chief Operating Officer/General Manager since 2004. He is an executive director of the Company since March 5, 2015 and a member of the Executive Committee and Corporate Governance & Sustainability Committee. Prior to joining the Company, he was the Sales & Marketing executive of Baler Industrial Corporation, JY International Marketing Corporation, CAWC, Inc. and Chemphil Manufacturing Corporation. Mr. Tepace has over 40 years of experience in the chemical distribution business in the Philippines. He concurrently is an executive director of certain of the Company's affiliates. Mr. Tepace is a member & Past President of Rotary Club of River City Marikina and Past Asst. Governor of Rotary District 3800. He earned his BS Chemical Engineering degree from Manuel L Quezon University.

**Lali Y. Sytengco**, Filipino, 74 years old, Executive Director of SBS Philippines Corporation since 2020. Ms. Sytengco serves as the Vice President for Supply Chain which post she has held since she joined the Company in 2001. She is responsible for global sourcing, supplier relationship management, and inventory management. She has over 20 years' experience in the chemical and ingredients procurement business. She is a graduate of University of Sto. Tomas, with a degree in BS Medical Technology.

**Geocel D. Olanday**, Filipino, 69 years old, Independent Director of SBS Philippines Corporation since 2018. Mr. Olanday serves Lead Independent Director of the Company since 2019 and as Chairman of the Corporate Governance & Sustainability Committee since 2022. He is a member of the Audit & Risk Oversight, the Related Party Transactions, the Finance & Investment, and Nomination & Remuneration Committees of the Board. He also is an Independent Director of PSE listed commercial bank, Philippine National Bank. Mr. Olanday currently serves as the Chief Executive Officer and Chief Advisor of Amaris Global Advisory Services (HK) Ltd. and sits in the Board of i-Home Foundation, Inc. He is also a Teaching Fellow at the Institute of Corporate Directors. He previously was a member of the Board of Mindoro Resources Ltd (a TSX- V listed junior mining company), real estate businesses of the Villar Group of Companies and Star 8 Green Technology Corporation, makers and distributors of solar e-vehicles. He has over 40 years extensive business experience in the area of strategic marketing and advertising, finance, business development, and restructuring, having held senior executive positions in Citibank NA Manila Branch, Unilever Philippines, Baxter Healthcare Corporation, the Villar Group of Companies, Moldex Realty Corporation and Greenfield Development Corporation. He is a Certified Public Accountant and holds a Masteral degree in Business Administration from the University of the Philippines where he also obtained his Bachelor of Science in Business Administration and Accountancy.

**Roberto F. Anonas, Jr.**, Filipino, 69 years old, Independent Director of SBS Philippines Corporation since 2017. He is the Chairperson of the Related Party Transaction Committee since 2022 and is also a member of the Audit and Risk Oversight, the Corporate Governance & Sustainability, and Finance & Investment Committees of the Board. He is currently the Director and General Manager of Fuji Haya Electric Corporation, an electrical engineering

manufacturing company. He also sits in the Boards of Fuji Haya International Corporation and Accubend, Inc. Mr. Anonas holds a Master's Degree in Business Administration from IMEDE, a Management Development Institute under the University of Lausanne, Switzerland. He is currently a member of the faculty of the University of Asia and the Pacific, School of Management as Head of the New Business Ventures Module in the Entrepreneurial Management Program. He has extensive experience the field of investment banking and finance, having held senior executive posts in PLDT, PCI Capital Corporation and Philippine Commercial Capital, Inc. He was formerly an Independent Director at Macay Holdings, Inc.

**Helen T. De Guzman**, Filipino, 67 years old, Independent Director of SBS Philippines Corporation since 2019. Ms. De Guzman is concurrently the Chairperson of the Audit and Risk Oversight Committee and a member of the Related Party Transactions and the Corporate Governance & Sustainability Committees of the Board. She currently serves also as an Independent Director of Etiqa Life and General Assurance Philippines, Inc. since 2021 and is also an Independent Audit Committee member (advisor) of the Peace and Equity Foundation Inc. Ms. De Guzman has extensive years of experience on financial management, external auditing, managing risk-based internal audit activities and overseeing accounting, tax management and risk management functions. She has held various directorship positions in Miescor Builders, Inc., Customer Frontline Solutions, Inc., and the Philippine Institute of Certified Public Accountants, Institute of Internal Auditors, Philippines, and the Asian Confederation of Institutes of Internal Auditors. Ms. De Guzman is a seasoned chief audit executive and has held in senior executive positions in comptrollership, treasury operations and general management in various companies, which include Metro, Inc., Computer Information System, Inc. and the Manila Electric Company. Ms. De Guzman holds an Executive Master's degree in Business Administration (EMBA) from the Asian Institute of Management. She likewise earned a certificate of specialization on "Women on Boards: Succeeding as a Corporate Director" from the Harvard Business School. Ms. De Guzman is a certified public accountant, certified internal auditor and has global certification on risk management assurance.

**Christine P. Base**, Filipino, 54 years old, Corporate Secretary of the Company since January 2017. Atty. Base is a senior partner of Base & Nazal, Attorneys, and is both a lawyer and a CPA by profession. She obtained her J.D. degree from the Ateneo De Manila University and her Bachelor of Science, major in

Accounting from De La Salle University. She also currently serves as corporate secretary and director of Anchor Land Holdings, Inc., and as a director of Itapinas Development Corporation and other private companies. She also serves as the corporate secretary for SL Agritech Corporation, Ever Gotesco Resources and Holdings, Inc., Asiasec Equities, Inc., Asiabest Group International, Inc., Araneta Properties, Inc. and other private companies.

**Aileen Lou G. Codamon**, Filipino, 44 years old, Assistant Vice President – Controller of SBS Philippines Corporation since September 2020. Prior to her joining the Company, Ms. Codamon was AVP-Finance of Gigawatt Power Inc. She also worked in various finance roles at Solaire Resort and Casino, World Citi Group and Crowne Plaza Manila Galleria. She is a Certified Public Accountant, and holds advanced studies in Master in Business Administration from the Graduate School of Business of De La Salle University.

**Emerson P. Paulino**, Filipino, 44 years old, Chief Risk Officer and Chief Audit Executive of SBS Philippines Corporation since August 2021. He joined the Company in 2016 as the Internal Auditor and organized the Internal Audit Department and set up a risk-based internal audit plan. Mr. Paulino is a certified public accountant (CPA) and a certified internal auditor (CIA) and as over 20 years of experience in internal auditing or related finance roles in the areas of manufacturing, IT, project management, finance (SOX), sales and administration. His professional work experience also extends to SAP security and IT audit involving multinational firms and conglomerate businesses. From 2018 to 2020, he was project manager for the ERP project implementation of the Company. Mr. Paulino earned his Bachelor of Science in Accountancy from the University of Perpetual Help and Philippine School of Business Administration Manila (PSBA Manila).

**Monina Jane S. Nazal**, Filipino, 45 years old, Chief Compliance Officer since July 2023. She earned her Bachelor's Degree in Law from Arellano University School of Law, and Bachelor of Arts Major in Political Science degree at the De La Salle University. She is currently a partner at Base & Nazal, Attorneys. She previously served as the Assistant Vice President for Legal Governance and Corporate Social Services of Clark International Airport and was a director of Itapinas Development Corporation from 2020 to 2021. She is also a director and/or corporate secretary of other private corporations.

**Sabrina Adamelle Poon-Sytengco**, Filipino, 40 years old, is the Investor Relations Officer of the Company since January 2017. Prior to her joining the Company, Ms. Poon previously worked as Program Officer in the Office of the Presidential Adviser on the Peace Process. She holds a Bachelors of Arts degree in International Studies, Major in International Relations from Miriam College and continuing education units in Women and Gender Studies from University of Delaware.

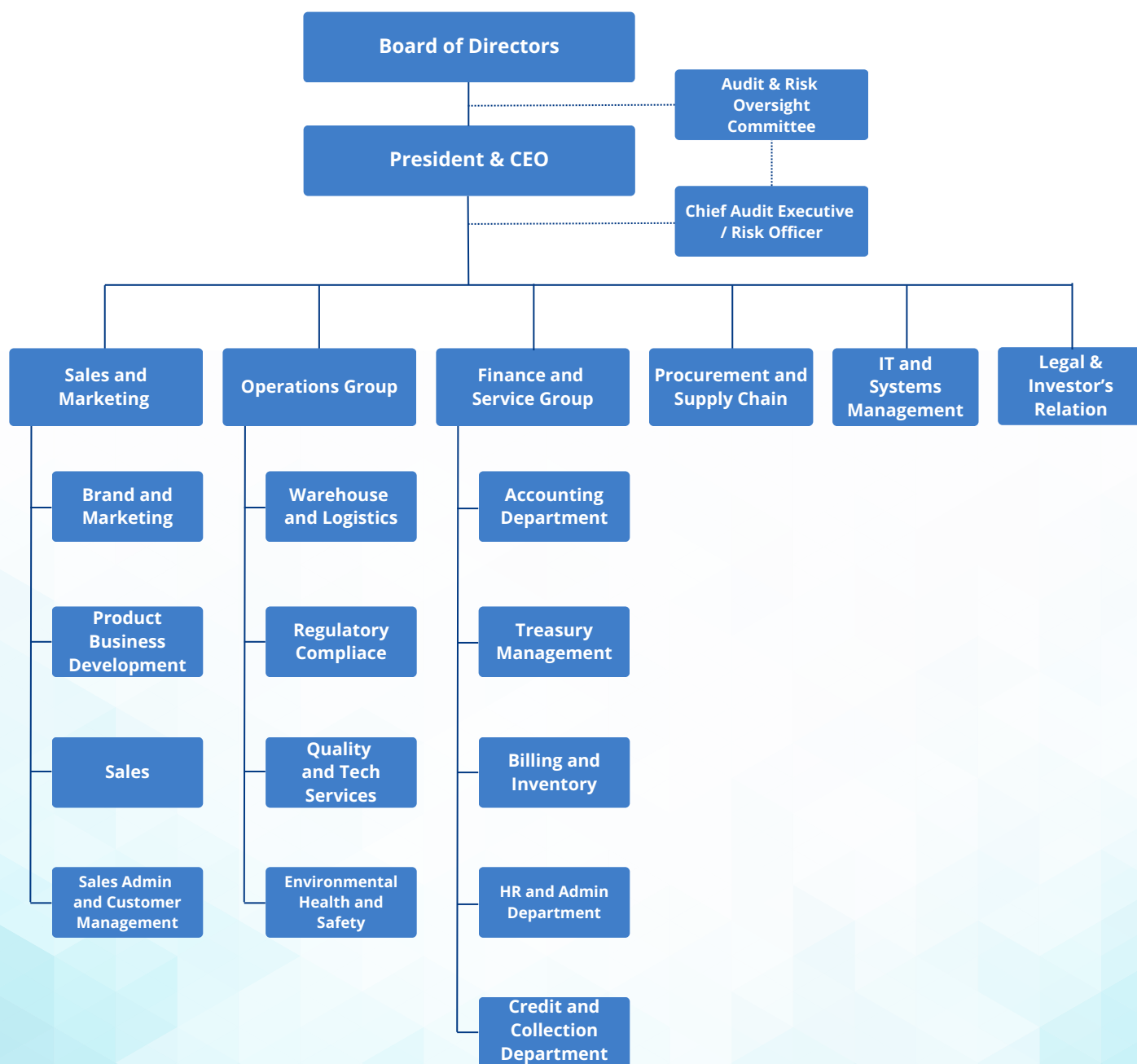
**Jose Ma. Jason J. Francisco**, Filipino, 38 years old, is the Data Privacy Officer (DPO) of the Company. He received his DPO Certification from the University of Asia and Pacific in 2023. He is a member of the Philippine Bar and holds Bachelor's degrees in Law and in Legal Management from Far Eastern University and University of Santo Thomas. He was a Senior Partner of Acuna+ Francisco & Mendoza Law.

# Our Organizational Structure



**SBS PHILIPPINES**  
CORPORATION

Your Strategic Chemical Supply Partner



# Corporate Directory

## BOARD OF DIRECTORS

**Ricardo Nicanor N. Jacinto**  
Chairman

**Aylene Y. Sytengco**  
Vice Chairperson

**Necisto Y. Sytengco, II**  
Vice Chairman

**Gerry D. Tan**  
Executive Director

**Esmeraldo A. Tepace**  
Executive Director

**Lali Y. Sytengco**  
Executive Director

**Helen T. De Guzman**  
Independent Director

**Roberto F. Anonas, Jr.**  
Independent Director

**Geocel D. Olanday**  
Lead Independent Director

## EXECUTIVE COMMITTEE

Chairman  
Gerry D. Tan

Members  
Esmeraldo A. Tepace  
Aylene Y. Sytengco  
Necisto Y. Sytengco, II  
Lali Y. Sytengco

## AUDIT and RISK OVERSIGHT COMMITTEE

Chairman  
Helen T. De Guzman

Members  
Roberto F. Anonas, Jr.  
Geocel D. Olanday

## RELATED PARTY TRANSACTIONS COMMITTEE

Chairman  
Roberto F. Anonas, Jr.

Members  
Helen T. De Guzman  
Geocel D. Olanday

## CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE

Chairman  
Geocel D. Olanday

Members  
Roberto F. Anonas, Jr.  
Helen T. De Guzman  
Necisto Y. Sytengco, II  
Esmeraldo A. Tepace

## NOMINATION and REMUNERATION COMMITTEE

Chairman  
Ricardo Nicanor N. Jacinto

Members  
Necisto Y. Sytengco, II  
Aylene Y. Sytengco  
Geocel D. Olanday

## FINANCE and INVESTMENT COMMITTEE

Chairman  
Aylene Y. Sytengco

Members  
Necisto Y. Sytengco, II  
Gerry D. Tan  
Roberto F. Anonas, Jr.  
Geocel D. Olanday

## EXECUTIVE OFFICERS

**Gerry D. Tan**  
President &  
Chief Executive Officer

**Esmeraldo A. Tepace**  
Executive Vice President  
& Chief Operating Officer

**Aylene Y. Sytengco**  
Chief Financial Officer and  
Treasurer

**Necisto Y. Sytengco, II**  
Senior Vice President for Marketing  
Operations & Assistant Treasurer

**Lali Y. Sytengco**  
Vice President for  
Supply Chain

**Christine P. Base**  
Corporate Secretary

**Sabrina Poon - Sytengco**  
Investor Relations Officer

**Monina Jane Nazal**  
Chief Compliance Officer

**Aileen Lou G. Codamon**  
AVP Controller

**Jose Ma. Jason J. Francisco**  
Data Protection Officer

**Emerson P. Paulino**  
Chief Risk Officer and  
Chief Audit Executive

## STOCK TRANSFER AGENT

**BDO Unibank, Inc.- Trust &  
Investments Group**

14/F BDO Towers Valero, 8741 Paseo De  
Roxas, Salcedo Village, Makati City 1226

## INDEPENDENT AUDITORS

**PUNONGBAYAN & ARAULLO**

19th and 20th Floor, Tower 1,  
The Enterprise Center, Ayala Avenue,  
Makati City

**Partner in Charge:**

**Mr. Renan A. Piamonte**

## PRINCIPAL BANKERS

BDO Unibank, Inc  
China Banking Corporation  
Metropolitan Bank and Trust Co.  
Security Bank Corporation

## LISTING and TRADING SYMBOL

Listed on the Main Board of the  
Philippine Stock Exchange under the  
stock trading symbol "SBS"

## INVESTOR RELATIONS AND MAILING ADDRESS

Investor Relations Office  
SBS Philippines Corporation  
10 Rest Haven Street, San Francisco  
Del Monte, Quezon City

T (632) 8371-1111

F (632) 8371-1288

E [ir@sbsph.com](mailto:ir@sbsph.com)

Website: <http://www.sbsph.com>



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Your Strategic Chemical Supply Partner

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