



**SBS PHILIPPINES**  
CORPORATION

Your Strategic Chemical Supply Partner



# **TRANSFORMING TODAY, LEADING TOMORROW**

**Advancing Vision 2030 with Purpose**

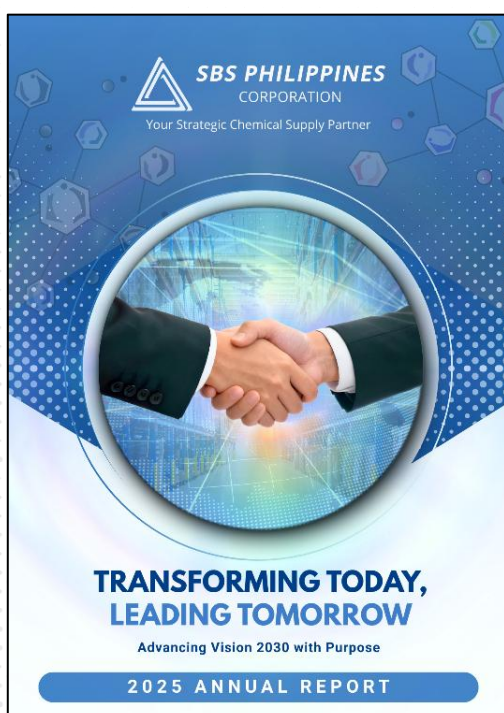
**2025 ANNUAL REPORT**



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### About the Cover



The cover of our 2025 Annual Report reflects the company’s forward-looking vision and its commitment to transformation and leadership. It conveys the values of trust, collaboration, and innovation that define the role of SBS Philippines Corporation as a strategic partner to industries and communities.

The theme “Transforming Today, Leading Tomorrow” underscores the company’s dedication to advancing Vision 2030 with purpose. It shows our commitment to growing responsibly, building strong partnerships, and making sure its success benefits everyone involved.

## Company Profile

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.

### 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

## Organizational Profile and Business Activities

SBS Philippines Corporation (the “Company” or “SBS”) - formerly known as Sytengco Philippines Corporation - was incorporated on July 17, 2001. The change to its present name was approved by the Securities and Exchange Commission (SEC) on November 18, 2014, while the Company became a publicly listed company and was admitted to the Main Board of the Philippine Stock Exchange on August 10, 2015.

The Company has the following industry memberships:

1. Philippine Rubber Industries Association, Inc. (PRIA)
2. Philippine Chamber of the Pharmaceutical Industry, Inc. (PCPI)
3. Chamber of Cosmetics Industry of the Philippines, Inc. (CCIP)
4. SamahansaPilipinas Ng MgaIndustriyangKimika (SPIK)
5. Philippine Association of Chemical Suppliers, Inc. (PACSI)
6. Philippine Chamber of Commerce & Industry, Inc. (PCCI)
7. Philippine Food Processors and Exporters Organization, Inc. (PHILFOODEX)
8. Philippine Exporters Confederation, Inc. (PHILEXPORT)

The Company’s principal place of business is at No. 10 Rest Haven Street, San Francisco Del Monte, Quezon City, Philippines. Currently, the Company maintains a network of 15 distribution warehouses in the Greater Manila Area and in the province of Bulacan. Furthermore, the warehouse operations follow appropriate warehousing practices in the pursuit of its vision and goals in the supply of products and services to stakeholders, particularly its customers. SBS also has a Halal-certified warehouse that stores various raw ingredients to supply the manufacturers in the food industry.

The Company adheres to applicable regulatory measures and standards implemented by various government institutions.

## Report Overview

As SBS Philippines Corporation 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 to SBS’s commitment to its stakeholders and its dedication to driving progress in the industries it serves.



## Chairman's Message

*“We remain focused on maintaining financial discipline, managing risk prudently, and allocating capital in ways that strengthen SBS's competitive position while enhancing long-term shareholder value.”*

Fellow Stockholders,

At the end of 2025, I found myself looking forward to the year ahead. The challenges that had dominated the previous period appeared to be easing. The global supply chain was gradually adjusting to the effects of U.S. tariffs imposed on the rest of the world, while the public disclosures surrounding alleged irregularities in government flood control projects suggested that some longstanding political headwinds that were never spoken about were finally being brought out into the open. In my view, 2026 had the potential for the Philippine economy to return to a growth trajectory.

Subsequent events, however, have reminded us how quickly circumstances can change.

The first half of 2026 was marked by heightened geopolitical tensions and increasing uncertainty in global markets. The conflict in the Middle East severely disrupted international trade routes and energy markets. At the same time, domestic political events caused local and international investors to pause their spending plans.

These developments had a direct impact on economic activity. Rising energy costs increased transportation and operating expenses across many industries. Inflation accelerated sharply during the second quarter from 4.1% in March to a three-year high of



7.2% in April and 6.8% in May while volatility in foreign exchange rates, credit markets, and commodity prices caused headaches for businesses throughout the country. These factors in turn dampened demand among consumers and businesses alike.

Against this backdrop, SBS remains resilient and well-positioned to navigate these challenges. The foundation of that resilience lies in the nature of our business. The chemical products that SBS distributes are essential inputs used by industries which support everyday life and economic activity. Regardless of economic conditions, manufacturers, water treatment facilities, food processors, and many other sectors continue to require reliable access to these products. This gives our business a level of stability that is especially valuable during periods of economic stress.

Equally important is the experience and dedication of our people. The lessons we learned during the COVID-19 pandemic strengthened our ability to respond to disruption, manage risk, and adapt quickly to changing circumstances. Today, our employees continue to demonstrate the professionalism, resourcefulness, and commitment that have long distinguished SBS. On behalf of the Board of Directors, I would like to express my sincere gratitude to every member of the SBS team for their contribution to the company's success.

While resilience is essential, it is not enough. Our responsibility to shareholders requires that we continue building for the future even during uncertain times.

For this reason, the Board and management remain committed to investing in areas where we see sustainable long-term growth. Among these is the environmental chemicals sector. In 2021, only 2.8% of revenues were attributable to sales of these products. By 2025, however, revenues from this sector amounted to P52.2 million which accounted for 5.4% of total revenues for the year. The growing demand for clean water, improved environmental compliance, and sustainable industrial practices will continue to create opportunities for growth and profitability that extend well beyond current economic cycles. We believe SBS is well-positioned to participate in these trends and to create value from them over the years ahead.

As stewards of your company, we remain focused on maintaining financial discipline, managing risk prudently, and allocating capital in ways that strengthen SBS's competitive position while enhancing long-term shareholder value. Our debt level at the end of 2025 amounted to P 2.2 billion while our debt-to-equity ratio and debt-service ratios are manageable at 0.34 and 0.55, respectively. Notwithstanding the difficult business conditions of the past years, we have consistently maintained our annual dividend pay-out ratio of at least 20% of prior years' earnings.

Our President, Mr. Gerry Tan, will discuss the company's operating and financial performance in greater detail. For my part, I would like to conclude by expressing my continued confidence in Gerry, his management team, our employees, and my fellow directors. As a team, they have demonstrated the capability, integrity, and commitment necessary to guide SBS through both opportunities and challenges.

The environment in which we operate remains uncertain, but our purpose remains clear. Although near-term conditions may remain challenging, we believe that the company's strong market relationships, experienced management team, and strategic direction provide a solid foundation for future growth. We will continue serving our customers, supporting our employees, and creating value for our shareholders with the same discipline and determination that have sustained SBS over the years.

Thank you for your continued trust and support. May God continue to bless our efforts and guide SBS safely through these turbulent times—not merely to endure them, but to emerge stronger because of them.

With warmest regards,

  
**RICARDO NICANOR N. JACINTO**  
Chairman of the Board

## President's Report

*“Even in a demanding environment, we remained profitable, financially sound, and strategically well-positioned.”*

Dear Shareholders,

The global chemical industry operated in a demanding environment in 2025, shaped by softer demand, persistent pricing pressure, cautious purchasing behavior, and continued macroeconomic uncertainty across key markets. Customers remained disciplined in inventory management, while competitive intensity across supply chains continued to weigh on margins. Against this backdrop, your Company remained focused on what matters most: serving customers with excellence, preserving financial strength, and positioning the business for sustainable long-term growth.

Despite the challenges of the year, SBS Philippines demonstrated resilience through relentless focus on productivity and efficiency, prudent capital management, and the unwavering commitment of our people. We continued to strengthen our operating foundation, deepen relationships with customers and principals, and pursue opportunities that will support future value creation.

While our financial results for 2025 were lower than the prior year, the Company remained profitable, financially sound, and strategically well-positioned on its core chemical distribution business. These outcomes reflect the strength of our business model, the quality of our partnerships, and the adaptability of our organization in changing market conditions.

Allow me now to present the Financial and Operational Performance of your Company for 2025, as well as our priorities for 2026.

### Financial Performance

For the year ended December 31, 2025, your Company recorded consolidated revenues of P967.2 million, representing a decline of 13.6% from P1.12 billion in 2024. Sales of goods amounted to P965.2 million, while consultancy income totaled P2.0 million. The decrease in revenues was primarily driven by



lower sales volumes across several key segments, coupled with price reductions in selected product categories amid weaker market demand.

Cost of goods sold declined by 12.2% to P616.8 million, broadly in line with lower sales activity. Consequently, gross profit amounted to P349.5 million, down 16.0% from the previous year. Gross margin softened slightly to 36.1% from 37.2% in 2024, reflecting continued pricing pressure and changes in product mix.

Other operating income increased significantly to P24.7 million from P12.1 million in 2024, supported by higher rental, management fee, and miscellaneous income. Meanwhile, operating expenses rose modestly to P205.7 million, mainly due to higher manpower costs and incremental depreciation and amortization associated with expanded warehouse facilities.

As a result, operating profit stood at P168.5 million, compared with P230.7 million in the prior year.

A notable positive development during the year was the improvement in financing costs. Finance costs decreased by 19.8% to P156.0 million, attributable to lower outstanding borrowings and improved financing conditions. Finance income likewise increased to P47.0 million, driven by higher interest income. Equity in net losses of associates improved to P34.1 million, reflecting better performance from investee companies.

The Group generated a consolidated net income of P6.3 million in 2025. While the Parent company recorded a net profit of P32.6 million, this was partially offset by a net loss of P26.3 million incurred by the subsidiary. The Company's continued profitability amid a difficult operating environment underscores the resilience of the business and the effectiveness of management's disciplined approach.

In 2025, your Company paid the shareholders a regular cash dividend of PhP0.005 per share and a one-time special cash dividend of PhP0.06 per share, for a total cash dividend of PhP0.065 per share or PhP100.75 million in aggregate, paid last March 25, 2025. The regular dividend is in line with the Company's dividend policy of distributing approximately 20% of the prior year's net income after tax, while the special dividend represents the deferred sharing of gains realized from the 2021 divestment of its former subsidiary, Lence Holdings Corporation.

In addition, your Company also successfully completed the issuance of a 22% stock dividend equivalent to approximately 341.0 million common shares with a total par value of PhP341.0 million on November 5, 2025 based on stockholders of record as of October 10, 2025. The cash and stock dividends made in 2025 reflects the Company's strong financial position, optimal capital structure, and continued commitment to delivering value to shareholders.

As of December 31, 2025, total assets stood at P8.72 billion, while total liabilities were P2.21 billion. Total equity amounted to P6.51 billion, reflecting the Company's strong capital base and sound financial position. Liquidity remained healthy, providing the flexibility to support operations, strategic investments, and future growth initiatives.

### **Operation Performance**

Throughout 2025, your Company remained focused on delivering consistent value to customers while responding proactively to softer market conditions.

Our diversified portfolio continued to provide resilience across market cycles. Animal Health and Nutrition was the largest contributor to total revenues at 31.6%, closely followed by Food Ingredients at 31.5%. Industrial Chemicals accounted for 11.5%, while Home and Personal Care contributed 10.7%.

This balanced business mix enables SBS Philippines to participate across multiple industries while reducing concentration risk and enhancing long-term stability.

During the year, management maintained a strong emphasis on customer service and supply reliability. SBS had served 1,095 active customers and based on random survey of 120 respondents,

your Company garnered the following satisfaction ratings: pricing (95%); delivery (100%); quality (100%); customer service (100%). We also benefited from prior investments in warehouse infrastructure, logistics capability, and process improvements. These investments enhanced our ability to manage inventories efficiently, improve service levels, and scale operations as opportunities arise. We continued working closely with customers and principals to identify practical, cost-effective, and value-added solutions suited to evolving market needs.

Your Company also successfully underwent several internal and external quality audits in 2025 conducted by Internal Auditors and Clients, with highly favorable outcomes that reflect the high standards we uphold in quality, compliance, and operational transparency.

At the same time, management remained disciplined in managing costs, optimizing working capital, and aligning resources with prevailing market conditions—while preserving readiness for future expansion.

## **Sustainability**

Sustainability remains integral to the way your Company creates long-term value. We continue to embed environmental, social, and governance principles into our decision-making, operations, and growth strategy.

In 2025, SBS continued initiatives focused on operational efficiency, responsible resource use, employee development, workplace safety, and sound governance practices. We believe that strong governance and responsible stewardship are essential to maintaining stakeholder trust and ensuring enduring business success.

I would like to highlight key achievements that your Company had done in 2025:

- Cumulative CAPEX spending of P168.3M over a five-year period (2021-2025), including P22.8M on sustainability related infrastructure and equipment;
- 60% of the Company's electricity consumption was obtained from renewable energy sources inclusive of net metering adjustment;
- Achieved 50% reduction in total GHG emission in 2025 compared to established baseline figures ahead of our target to achieve the 50% reduction by 2030;
- Attained 3 Golden Arrow Award, given by the Institute of Corporate Directors (ICD), based on their 2024 assessment of the Philippine Publicly Listed Companies (PLCs) under the ASEAN Corporate Governance Scorecard (ACGS).

We likewise sustained our commitment to providing a safe, healthy, and inclusive workplace for our employees and business partners. SBS has achieved zero work-related injuries and zero lost time due to accidents since September 2022, attaining a cumulative total of 692,512 Safe Man-hours without any lost work day at the end of 2025. Our people remain at the heart of our organization, and we will continue investing in their growth, well-being, and capabilities.

A copy of the full 2025 Sustainability Report can be downloaded from your Company's website [www.sbsph.com](http://www.sbsph.com).

As we move forward, sustainability will remain a strategic priority as we strengthen resilience, competitiveness, and long-term shareholder value.

## **2026 Business Plans**

While near-term market conditions remain challenging, your Company enters 2026 with a disciplined and cautious strategic approach amid rising interest rates, elevated inflation, and continued uncertainty in the global economic environment. The recent policy rate hike implemented by the Bangko Sentral ng Pilipinas, coupled with upward pressure on operating and logistics costs, may temper consumer spending and business expansion activities, resulting in softer market demand across several sectors. Nevertheless, the Company remains focused on prudent financial management, operational efficiency, and strengthening its core business segments to navigate the evolving business landscape.

For 2026, our priorities are clear:

- Strengthen core segments through deeper customer engagement, stronger supplier partnerships, and focused commercial execution in Food Ingredients, Animal Health and Nutrition, and Industrial Chemicals;
- Accelerate growth platforms by expanding technical capabilities and solution-selling in Environment and Infrastructure, specifically for water and wastewater treatment market, as well as in Home and Personal Care industry;
- Maintain financial discipline through prudent working capital management, optimized inventory levels, and strong liquidity preservation;
- Unlock value from strategic investments by supporting recurring income initiatives from our property-related and associate investments;
- Invest in future readiness through people development, digitalization, systems enhancement, and sustainability initiatives.

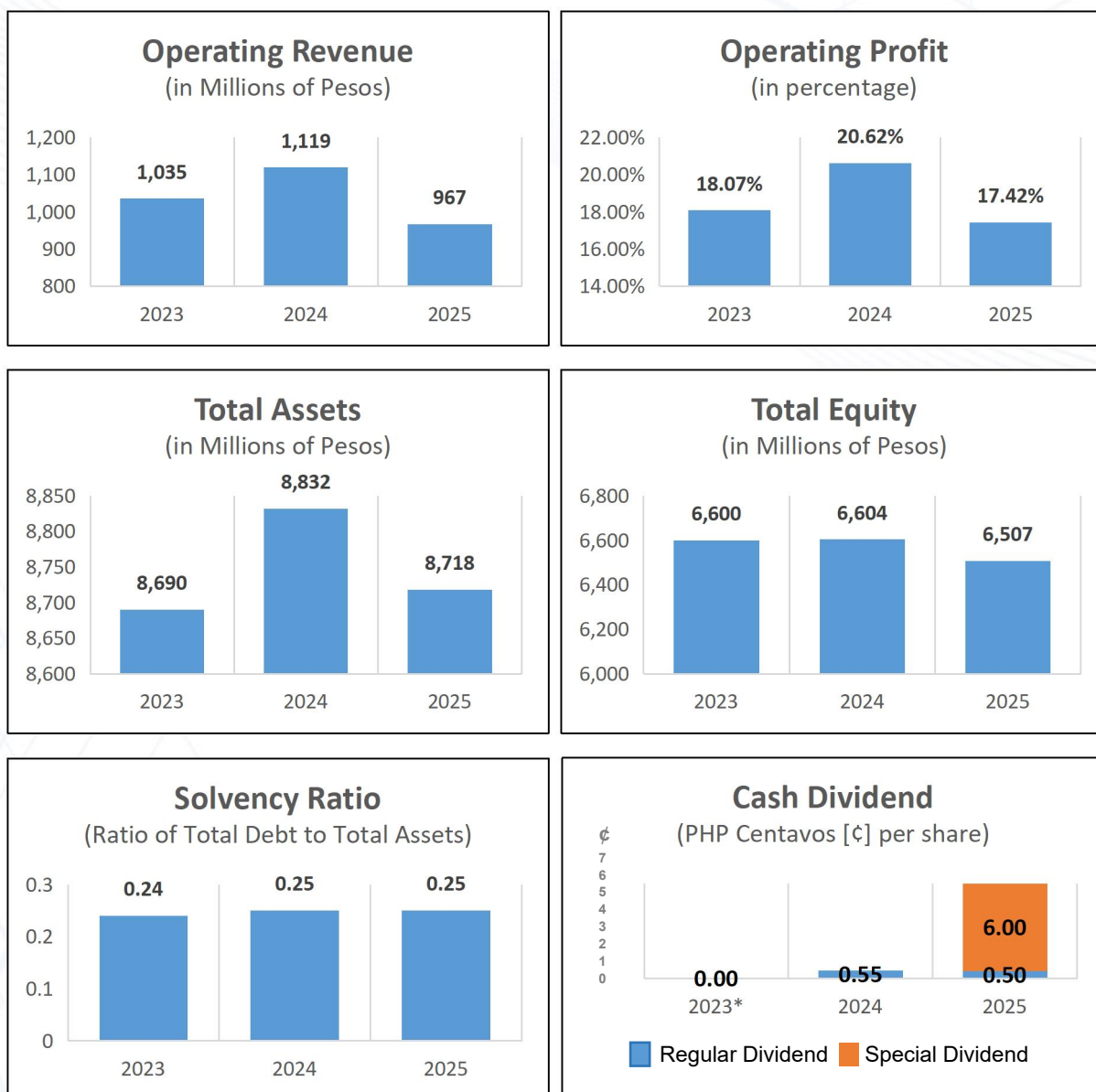
We remain steadfast in our long-term vision and confident in our ability to capture opportunities as markets improve. With the dedication of our employees, the trust of our customers and principals, and the continued support of our shareholders, we are well-positioned to build a stronger and more valuable enterprise in the years ahead.

To our shareholders, customers, suppliers, employees, and all stakeholders—thank you for your continued confidence and support.

Sincerely,

  
**GERRY D. TAN**  
President & CEO

## Performance Highlights



*\*For 2023, Declaration of 22% stock dividend.  
Record date (October 10, 2025) and payment date (November 5, 2025).*

## In Review

2025 was a year of disciplined execution and resilience for SBS Philippines Corporation as the Group navigated softer market demand, continued pricing pressure, and a more cautious purchasing environment across key sectors. Despite these headwinds, the Company remained focused on serving our customers with product and supply reliability, strengthening liquidity, and sustaining operational efficiency while continuing to invest in long-term value creation.

Throughout the year, management prioritized prudent working capital management, customer service excellence, and financial discipline. The Group also benefited from improved financing conditions and continued to strengthen its strategic investment portfolio while maintaining a sound balance sheet and healthy liquidity position.

## Results of Operations

In 2025, SBS reported consolidated sales revenue of P965.2 million from its core chemical distribution business and P2.0 million from consultancy income, resulting in total consolidated revenues of P967.2 million. The Group reported net finance costs of P109.0 million and recognized equity in net losses of associates amounting to P34.1 million. Consolidated profit before tax amounted to P25.4 million, while tax expense closed at P19.1 million, resulting in consolidated net income of P6.3 million for the year.

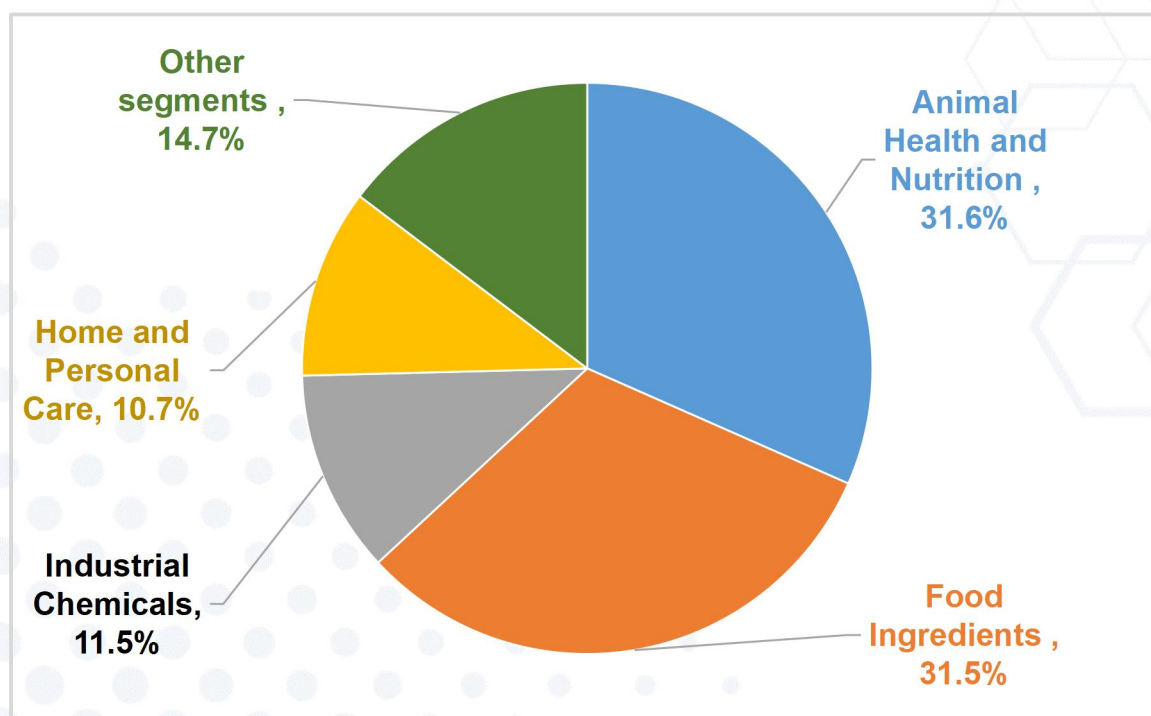
The Group generated net cash of P416.7 million from operating activities, recorded net cash inflow of P117.9 million from investing activities, and used P292.7 million in financing activities, primarily for loan settlements, dividend payments, interest payments, and lease obligations.

### Core Chemical Distribution Business

Revenues from the core chemical distribution business declined to P965.2 million, down by P147.7 million or 13.3% from P1,112.9 million in 2024. The decline was primarily attributable to lower sales volumes across major business segments and reduced selling prices in selected product categories amid weaker market demand.

In 2025, Animal Health and Nutrition became the largest contributor to total revenue at 31.6%, closely followed by Food Ingredients at 31.5%. Industrial Chemicals, Home and Personal Care, and Other segments contributed 11.5%, 10.7%, and 14.7%, respectively. This diversified portfolio continued to provide resilience across changing market conditions.

**Sales Distribution Per Industry**



Gross profit declined to P348.4 million from P410.6 million in 2024, while gross profit margin slightly softened to 36.1% from 36.9%, reflecting pricing pressure and changes in product mix. Operating expenses increased modestly by 4.2% due mainly to higher manpower costs and depreciation and amortization expenses related to warehouse facilities.

As a result, operating profit for the core business decreased from P240.4 million in 2024 to P184.0 million in 2025. Despite the decline, the business remained profitable and operationally sound through disciplined cost management and efficient execution.

During the year, the Company continued to enhance its operating platform through additional investments in warehouse equipment, property and equipment, leased facilities, and systems improvements to support long-term efficiency, customer service, and future growth.

### Property-Related Investments

SBS Holdings and Enterprises Corporation (“Subsidiary”) continues to engage primarily in strategic investments in companies with prime landholdings, while also pursuing property management, leasing, and related opportunities.

For 2025, the Subsidiary reported consultancy income of P2.0 million and complemented by an additional P6.4 million generated from various management services.

During the year, the Group advanced additional investments and subscriptions in selected associate companies amounting to P232.6 million while also receiving refund from prior investment subscription of P315 million. As of the end of 2025, the Group maintained a diversified portfolio of strategic investments in associate companies, of which 21 of them hold land assets in prime locations within Metro Manila and other urban centers. Equity in net losses of associates improved to P34.1 million from P39.4 million in the previous year, reflecting better performance from investee companies.

### Financial Condition

#### Assets

As at 31 December 2025, total assets amounted to P8,718.4 million, 1.3% down from last year of P8,832.0 million. Total assets in 2025 consist of P2,378.9 million in current assets and P6,339.6 million in non-current assets compared to P2,331.0 million in current assets and P6,501.0 million in non-current assets in 2024.

Cash and cash equivalents increased by 19.6% or P241.0 million from P1,229.2 million in 2024 to P1,470.2 million in 2025. For the current period, total cash collection amounted to P2,521.8 million and was received from the following: P1,745.0 million from proceeds of loans; P416.7 million generated from operating activities; P315.0 million net proceeds from refund of investment subscriptions and P45.1 million of interest income. On the other hand, cash disbursements or settlements for the period amounted to P2,280.8 million, comprised of the following: P1,782.8 million in loan repayments; P232.0 million advance payments for investment subscriptions; P152.3 million in interest payments for bank loans and bank trust receipts; P100.8 million in dividend payments; P9.2 million for acquisition of property and equipment; P1.9 million for payment of lease liabilities; P0.9 million on foreign exchange effect and P0.4 million for acquisition of computer software.

Trade and other receivables decreased by P33.9 million or 25.9% from P131.0 million in 2024 to P97.0 million in 2025 due to lower sales volume during the year.

The inventory level marginally increased by P0.1 million from P775.4 million in 2024 to P775.5 million in 2025 with lower inventory turnover in 2025.

Prepayments and other current assets decreased by P 159.3 million from P195.5 million in 2024 to P36.1 million in 2025 due primarily to the reduction in refundable deposits. Other non-current assets in 2025 decreased by P94.5 million to P2,345.2 million in 2025 from P2,439.7 million in 2024 due to collection of refundable deposits of P315.0 million, amortization of computer software of P1.4 million, and partially offset by additional investment subscriptions during the year of P221.9 million.

Investment in associates decreased by P23.3 million or 0.7% from P3,166.0 million in 2024 to P3,142.7 million in 2025 due to net equity losses during the year of P34.1 million, partially offset by additional investments of P10.7 million.

Property and equipment value decreased by P4.1 million from P143.9 million in 2024 to P139.8 million in 2025, as a result of P13.3 million depreciation of the assets, partially offset by P9.2 million in acquisition of property and equipment.

Right-of-use assets decreased from P125.8 million in 2024 to P85.8 million in 2025, with P43.8 million charged to depreciation and amortization and partially offset by P3.8 million additions during the year.

Deferred tax assets – net amounted to P0.4 million as at December 31, 2025, compared to nil in 2024, primarily arising from temporary differences recognized during the year.

#### *Liabilities*

The total liabilities as at 31 December 2025 amounted to P2,211.9 million, a slight decrease of 0.7% from P2,227.6 million in 2024. Total liabilities consist of P2,016.0 million in current liabilities and P195.9 million in non-current liabilities in 2025 compared to P1,852.2 million in current liabilities and P375.4 million in non-current liabilities in 2024.

Current loans payable increased by 9.1% or P137.9 million from P1,517.9 million in 2024 to P1,655.8 million in 2025 with new loan drawdowns of P1,745.0 million and recognition of current portion of long-term loans of P177.8 million partially offset by loan repayments of P1,782.8 million during the year. Non-current loans payable decreased to P132.6 million in 2025 from P307.2 million as result of reclassification of P177.8 million to current loans.

Trade and other payables increased by P25.7 million from P332.9 million in 2024 to P358.6 million in 2025 mainly due to the increase in trust receipts payable.

Income tax payable amounted to P1.2 million as at December 31, 2025 compared to nil in 2024.

Current lease liabilities slightly increased by P0.1 million or 6.6% from P1.4 million in 2024 to P1.5 million in 2025. Non-current lease liabilities rose by P6.5 million to P42.2 million in 2025 from P35.7 million in 2024. The increase was primarily attributable to interest accretion of P4.7 million and recognition of new lease liabilities amounting to P3.8 million, partially offset by lease payments of P1.9 million.

Net deferred tax liabilities of P17.1 million as at December 31, 2024 shifted to a net deferred tax asset position of P0.4 million as at December 31, 2025 mainly driven by the reversal of lease-related deferred tax liabilities and the recognition of deductible temporary differences during the year.

Security deposit increased by P0.6 million in 2025, compared to P1.9 million in 2024, as a result of a new property management contract entered into during the year.

Post-employment defined benefit obligation increased by P5.0 million or 37.0%, from P13.5 million in 2024 to P18.5 million in 2025, mainly due to actuarial remeasurements and current service and interest costs recognized during the year.

#### *Total equity*

The total equity as at 31 December 2025 was P6,506.6 million, 1.5% lower compared to P6,604.4 million in 2024. Total equity in 2025 consists of P1,891.0 million in capital stock, P2,242.8 million in additional paid in capital stock, P1680.0 million in retained earnings, P6.8 million in revaluation reserves and P699.6 million of equity attributable to non-controlling interest. For the period ended 31 December 2024, total equity 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.

Retained earnings decreased by P80.0 million or 4.5% from P 1,760.0 million in 2024 to P1,680.0 million in 2025 as a result of the Group's consolidated net income attributable to shareholders of P20.8 million, partially offset by payment of P100.8 million cash dividends during the year. Meanwhile, the equity attributable to Non-controlling interest decreased by P14.7 million or 2.1% from P714.3 million in 2024 to P699.6 million in 2025 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, 2025, 2024, and 2023

	2025	2024	2023
Liquidity Ratio <sup>1</sup>	<b>118.0%</b>	125.9%	169.7%
Debt to Equity Ratio <sup>2</sup>	<b>34.0%</b>	33.7%	31.7%
Asset to Equity Ratio <sup>3</sup>	<b>134.0%</b>	133.7%	131.7%
Return on Assets <sup>4</sup>	<b>0.1%</b>	0.2%	0.7%
Return on Equity <sup>5</sup>	<b>0.1%</b>	0.2%	0.9%
Interest rate coverage ratio <sup>6</sup>	<b>0.86</b>	0.98	1.15
Earnings per Share <sup>7</sup>	<b>PHP 0.01</b>	PHP 0.01	PHP 0.02

<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 Number of Common Outstanding Shares

<sup>7/</sup> Basic and diluted earnings per share for 2024 and 2023 were restated to reflect the 2025 issuance of stock dividends (See Note 20.3 of the 2025 Audited Consolidated Financial Statements).

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

Year	2023				2024				2025			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	*Q4
Low	3.80	3.85	3.55	3.80	4.00	3.80	3.72	3.20	<b>4.52</b>	<b>3.90</b>	<b>3.50</b>	<b>3.50</b>
High	4.75	4.10	3.99	4.85	4.85	4.30	4.05	5.00	<b>5.50</b>	<b>4.95</b>	<b>4.10</b>	<b>3.90</b>

\*The company issued a 22% stock dividends with record date and payment date of 10 October 2025 and 05 November 2025, respectively.

## Board of Directors and Senior Management Profile

**Ricardo Nicanor N. Jacinto**, Filipino, 65 years old, Non-Executive Director of the SBS Philippines Corporation since 2015. He has been Chairman of SBS Philippines Corporation since 2020 and concurrently the Chairman of the 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. Furthermore, he is an Independent Director of Torre Lorenzo Development Corporation and a Non-Executive Director of SBS Holdings and Enterprise Corporation. 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 to 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 to 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, 42 years old, Executive Director of SBS Philippines Corporation since 2008. She has been 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 has been the Company's Treasurer since 2008 and Chief Financial Officer from 2013 to 2025. 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 Ateneo De Manila University and completed her executive education from Stanford Graduate School of Business.

**Necisto Y. Sytengco II**, Filipino, 41 years old, Executive Director of SBS Philippines Corporation since 2010. He has been 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. He was appointed as Chief Operating Officer on June 27, 2025. He is concurrently the 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**, 59 years old, joined the Company in January 2016 as President & Chief Executive Officer. He was first elected as director of the Company in 2016 and as Chairman of the Executive Committee on 17 September 2020, and a member of the Finance and Investment Committee. Mr. Tan has over 35 years of experience in the chemical distribution industry in the Philippines and the Asia-Pacific region. Prior to his appointment in 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 Siliman University and holds a Master's Degree in Business Administration from the Ateneo de Manila University.

**Esmeraldo A. Tepace**, Filipino, 73 years old, Executive Director 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 until 2025. He served as the Chief Compliance Officer of the company from June 27, 2025 until May 12, 2026 when he was appointed by the board as the EVP for Regulatory and Corporate Affairs. He has been 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 is concurrently an executive director of some of the Company's affiliates. Mr. Tepace is a member & Past President of the Rotary Club of River City Marikina and a Past Assistant Governor of Rotary District 3800. He earned his BS Chemical Engineering degree from Manuel L Quezon University.

**Lali Y. Sytengco**, 75 years old, joined the Company in 2001 and has since served as the VP for Purchasing. She was first elected as director of the Company and a member of the Executive Committee on 17 September 2020. She is responsible for overall procurement, including product sourcing, supplier relationship management, and the supply chain of the company. She has over 20 years of experience in the chemical procurement business. She is a graduate of the University of Sto. Tomas and holds a degree in BS Medical Technology.

**Geocel D. Olanday**, Filipino, 70 years old, Independent Director of SBS Philippines Corporation since 2018. Mr. Olanday has served as 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 is also an Independent Director of the 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 on 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 of 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 Master's 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, 70 years old, has been an Independent Director of SBS Philippines Corporation since 2017. On June 27, 2025, he was appointed as the new Lead Independent Director. He has been the Chairperson of the Related Party Transaction Committee since 2022 and is also a member of the Nomination and Remuneration Committee, Audit and Risk Oversight, the Corporate Governance & Sustainability, and Finance & Investment Committees of the Board. He was formerly an Independent Director at Macay Holdings, Inc. and currently serves on the Boards of Fuji Haya Electric Corporation and Fuji Haya International Corporation and its group of companies. He also sits on the Boards of Pentarch Stalwork Builders, Inc., Accubend, Inc., Kendo Marketing, Inc., and RDA Holdings 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 in the field of investment banking and finance, having held senior executive posts in PLDT, PCI Capital Corporation, and Philippine Commercial Capital, Inc.

**Helen T. De Guzman**, Filipino, 68 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 also serves as an Independent Member of the Audit Committee of the Peace and Equity Foundation Inc. since 2020. Ms. De Guzman has been the Treasurer of Couples for Christ Global Mission Foundation, Inc. since 2021. She has extensive years of experience in 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, the 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 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 in "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 a global certification in risk management assurance.

**Christine P. Base**, 55 years old, was appointed as Corporate Secretary of the Company in January 2017. Atty. C. P. Base is a senior partner of Pacis & Reyes Law Offices and is both a lawyer and a CPA by profession. She obtained her J.D. degree from Ateneo De Manila University. She also serves as corporate secretary and director of Itapinas Development Corporation, Anchor Land Holdings, Inc., and other private companies. She also serves as the corporate secretary for SL Agritech Corporation, Ever Gotesco Resources and Holdings, Inc., Asiasec Equities, Inc., and Araneta Properties, Inc.

**Aileen Lou G. Codamon**, Filipino, 45 years old, has been serving as the Chief Financial Officer and Chief Risk Officer of SBS Philippines Corporation since June 27, 2025. She joined the company in February 2020 and was formally appointed Assistant Vice President – Controller in September 2020 before progressing to her current roles. Prior to joining SBS, Ms. Codamon served as AVP – Finance at Gigawatt Power Inc. She has also held various key 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 the Master of Business Administration program at the Graduate School of Business of De La Salle University.

**Emerson P. Paulino**, Filipino, 45 years old, has been the 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) with 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 the 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 the Philippine School of Business Administration Manila (PSBA Manila).

**Monina Jane S. Nazal**, 46 years old, was appointed as the Chief Compliance Officer and Corporate Information Officer of the company on 03 July 2023. She was re-appointed as the Chief Compliance Officer in 2024 and was subsequently appointed as the Corporate Information Officer on 27 June 2025. On May 12, 2026, she was duly appointed by the board as the Chief Compliance Officer. She also served as the Assistant Vice President for Legal Governance and Corporate Social Services of Clark International Airport. She earned her Bachelor’s Degree in Law at the Arellano University School of Law, and Bachelor of Arts Major in Political Science at De La Salle University. She is currently a Senior Associate at Pacis and Reyes, Attorneys. She was a director of Italpinas Development Corporation from 2020 to 2021. She is also a director and/or corporate secretary for several private corporations.

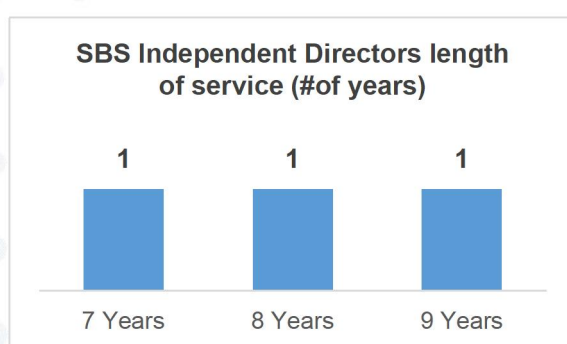
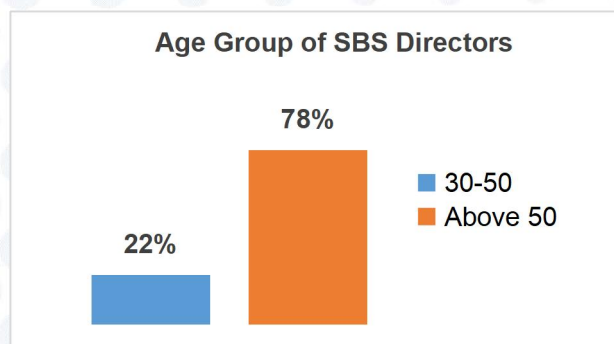
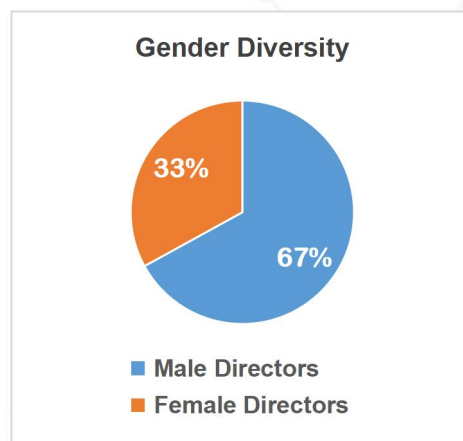
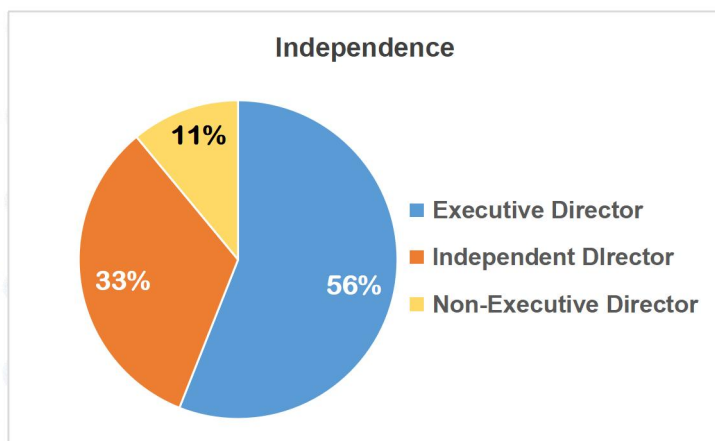
**Sabrina Adamelle Poon-Sytengco**, Filipino, 41 years old, has been the Investor Relations Officer of the Company since January 2017. Prior to her joining the Company, Ms. Poon previously worked as a Program Officer in the Office of the Presidential Adviser on the Peace Process. She holds a Bachelor of Arts degree in International Studies, Major in International Relations from Miriam College, and continuing education units in Women and Gender Studies from the University of Delaware.

**Jose Ma. Jason J. Francisco**, Filipino, 39 years old, is the Data Privacy Officer (DPO) of the Company. He received his DPO Certification from the University of Asia 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 is the Managing Partner of Mendoza and Francisco Law.

## 2025 Board of Composition, Diversity and Balance

In 2021, SBS issued an Amended Board Diversity Policy to ensure that the Board of Directors of the Company has an appropriate mix of expertise, experience, independence, knowledge, and skills. This encouraged critical discussions and promote sound decision-making in the pursuit of the Company’s strategic objectives and sustainable development.

As of December 31, 2025, these are the breakdown of the Company’s board composition, diversity, and balance:





# OUR BOARD OF DIRECTORS



**NECISTO Y. SYTENGCO, II**  
Vice Chairman

**RICARDO NICANOR N. JACINTO**  
Chairman

**ROBERTO F. ANONAS, JR.**  
Lead Independent Director

**GERRY D. TAN**  
President and CEO

**GEOCEL D. OLANDAY**  
Independent Director

**ESMERALDO A. TEPACE**  
Executive Director

**AYLENE Y. SYTENGCO**  
Vice Chairperson

**LALI Y. SYTENGCO**  
Executive Director

**HELEN T. DE GUZMAN**  
Independent Director

**CHRISTINE P. BASE**  
Corporate Secretary

## Skills and Attributes of the Board of Directors

Desired/Needed Skills, experience, attributes	Board of Directors Competencies								
	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

## Corporate Governance

### 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 was again the recipient of Golden Arrow Award for corporate governance, where SBS proudly achieved an impressive 3-Arrow recognition for corporate governance practices in Assessment Year 2024, highlighting its continuing efforts to raise its corporate governance standards.

The overview of the Company’s corporate governance practices in 2025 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 2025 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=7fbb9ae83e1a0df664d70b69f0a3140b](https://edge.pse.com.ph/openDiscViewer.do?edge_no=7fbb9ae83e1a0df664d70b69f0a3140b).

## Board Structure and Process

### *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 40-75) 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 2025. Topics covered during these sessions are based on an individual's requirements for enhancement of their knowledge and skills such as Cybersecurity, AI for Good Governance, Board Leadership & Best Practices. 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.

#### *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 Director's Report*

In 2025, there was a total of eight (8) Board meetings, which included the strategy review in October 2025. 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 2025, 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.

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 18, 2025 with all independent directors in attendance. All the directors were also present during the Annual Stockholders' Meeting held on June 27, 2025.

During 2025, the Board revised and updated some of the key corporate governance policies which are summarized below:

- a) Executive Committee and Finance & Investment Committee Charter
- b) Revised Manual of Corporate Governance
- c) Revised Whistleblowing Policy
- d) Revised HR Manual & Employee Code of Discipline
- e) Revised Code of Business Conduct & Ethics

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.sbsph.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 2025, the AROC held five (5) meetings with full attendance of all independent director members and an Executive Session with CRO, CFO, and CCO. The key highlights of the activities of the AROC in 2025 are as follows:

#### a) Financial Reporting Oversight

- i. The Committee reviewed the quarterly financial statements, including the related disclosures, prior to submission to the Securities and Exchange Commission (SEC). Key business developments, trends, and significant accounting judgments and estimates were discussed and evaluated.
- ii. The annual audited financial statements, both parent and consolidated, were reviewed based on the audit results presented by the external auditors. The Committee ensured that the financial statements were prepared in accordance with applicable financial reporting standards.

- iii. The Committee also reviewed and endorsed the Company's Annual Report (SEC Form 17-A), including the Management's Discussion and Analysis (MD&A), prior to Board approval and regulatory filing.

#### b) Risk Management and Internal Control

- i. The Committee reviewed and approved the 2025 Enterprise Risk Management Plan, which included the Company's risk roadmap, risk self-assessments, and top risk simulations.
- ii. In December 2025, the Committee approved targeted refinements to the Company's Risk Appetite Statement (RAS), originally established in 2022. Key updates include:
  - Information and Technology Risk
  - Adoption of a cautious and controlled approach to artificial intelligence (AI) and automation, while recognizing the strategic importance of digital tools in enhancing productivity, operational efficiency, and decision-making.
  - Investment Risk
  - Adoption of a "risk-neutral" stance, supported by defined internal rate of return (IRR) benchmarks based on investment classification.
  - Human Resource Risk
  - Adoption of a differentiated talent strategy, accepting varying levels of risk across HR practices while prioritizing investments in capability building and retention to support long-term growth.
  - Compliance and Regulatory Risk
  - Refinement from a risk-averse to a low-risk tolerance posture, allowing for isolated and non-material breaches within clearly defined thresholds.
  - Sales and Operational Risk
  - Continued emphasis on cost discipline and operational efficiency.
- iii. On internal control matters, The Committee ensured that regular review of workplace conditions and practices to identify potential hazards are conducted and addressed in compliance with safety regulations.
- iv. To further strengthen governance and independence, the Committee resolved to separate the roles of Chief Audit Executive and Chief Risk Officer, which had been temporarily held concurrently.

#### c) Audit Activities

##### i. Internal Audit

The Committee reviewed and approved the Internal Audit Plan, which focused on key risk areas, including warehouse health and safety, marketing and sales performance, budgeting processes, fixed asset management, and ESG reporting.

The Committee received regular quarterly updates from the CAE on the progress and results of its audit activities, its observations, and the actions and system enhancements taken by Management. These are actively monitored by the Committee ensure potential risks and weaknesses are addressed promptly, with enhanced vigilance, and accountability.

##### ii. External Audit

The Committee evaluated and endorsed the reappointment of the external auditors for the ensuing year. The external auditors presented their audit plan and demonstrated consistent performance in completing the audit at least 30 days ahead of statutory filing deadlines with the SEC and Bureau of Internal Revenue (BIR).

The Committee confirmed that appropriate safeguards are in place to protect auditor independence and objectivity, including audit partner rotation and restrictions on non-audit services. All non-audit services are subject to prior Committee approval.

#### d) Compliance with Laws and Regulations

The Committee reviewed the annual report of the Chief Compliance Officer covering legal and regulatory compliance, including SEC reporting, regulatory engagements, and compliance certifications.

Based on the assessment, the Company has substantially complied with applicable laws, regulations, and governance requirements, including those prescribed by the SEC, the Philippine Stock Exchange (PSE), and the Company's Manual of Corporate Governance.

#### *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 2025, the CGSC convened three (3) meetings.

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

- a. Discussed future plans and initiatives to enhance corporate governance practices of the Company;
- b. Reviewed and endorsed for consideration and approval of the Board the following:
  - The 2024 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;
  - The 2024 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;
  - The 2024 Corporate Governance Report for the 2024 Annual Report of Management to the Stockholders;
  - Reviewed and endorsed for board approval the Revised Manual of Corporate Governance, Revised Business Conduct and Ethics, Revised Whistleblowing Policy, Revised RPT Policy, and, Employee Handbook & Code of Discipline;
  - Reviewed and endorsed for board approval the terms of reference of the Executive Committee and the Finance & Investment Committee for a more enhanced governance structure.
- c. 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

d. Refreshed and updated the annual Board-related evaluation questionnaires to ensure they remain relevant and elicit valuable feedback and actionable insights.

*Related Party Transactions (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 2025, the Related Party Transaction Committee held two (2) meetings.

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 2025 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, 2025;
- Reviewed and issued favorable report to the Board for the approval of non-material related party transactions.

For the period ended December 31, 2025, 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 2025 Audited Consolidated Financial Statements of the Company, a copy of which may be accessed at the Company's website at <https://www.sbsph.com/disclosure-filings/investors/financial-reports/> and at [https://edge.pse.com.ph/openDiscViewer.do?edge\\_no=dc26962325e85ab564d70b69f0a3140b](https://edge.pse.com.ph/openDiscViewer.do?edge_no=dc26962325e85ab564d70b69f0a3140b).

#### *Nomination and Remunerations (NR) 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 five (5) members, which include the Chairman of the Board, two (2) Independent Director, including the Lead Independent Director, and two (2)

Executive Directors. It meets at least twice a year or as often as may be necessary. In 2025, the NomRem Committee held two (2) meetings and the summary of its work during the year is as follows:

- 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;
- Reviewed the qualifications of the nominated Board candidates for election by Shareholders at Annual Stockholders Meeting and corporate officers for appointment by the Board;

#### *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 2025, it held two (2) meetings and provided below is the summary of its work during the year:

- Reviewed the terms of reference of the committee;
- Presented the 2025 funding projection;
- Proposed for Cash Dividend Declaration
- Reviewed the Cash Projection and Requirements for the CY 2025-2028, including those of its subsidiary;
- Reviewed the Company's growth strategy investment requirements;
- Monitored status and progress of income generating projects and opportunities for the property holdings of the Company;

#### *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:

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

### **Accountability and Audit**

#### *Financial Reporting*

The Board receives monthly and/or quarterly updates on the Company's performance, financial position and prospects. In 2025, 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 2025 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 2025, 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 2025 or subsisted at any time during 2025. 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 2025.

## 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 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 (2025), Revised Code of Business Conduct and Ethics (2025), 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 Revised 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 2025 Sustainability Report on Company's sustainability performance as of and for the year ended December 31, 2025 which can be accessed through this link: <https://www.sbsph.com/wp-content/uploads/2026/03/SBS-2025-SUSTAINABILITY-REPORT-WITH-INDEX.pdf>

## 2025 Board and Committee Attendance

2025 BOARD MEETING ATTENDANCE		
Director	No. of Meetings Attended/Held	Attendance Percentage
Ricardo Nicanor N. Jacinto	8/8	100%
Aylene Y. Sytengco	8/8	100%
Necisto Y. Sytengco II	8/8	100%
Gerry D. Tan	8/8	100%
Esmeraldo A. Tepace	8/8	100%
Lali Y. Sytengco	8/8	100%
Helen T. De Guzman	8/8	100%
Roberto F. Anonas Jr.	8/8	100%
Geocel D. Olanday	8/8	100%

2025 EXECUTIVE COMMITTEE			
Composition	Name	No. of Meetings Attended/Held	Attendance Percentage
Chairman   Executive Director	Gerry D. Tan	13	100%
Member   Executive Director	Esmeraldo A. Tepace	13	100%
Member   Executive Director	Aylene Y. Sytengco	13	100%
Member   Executive Director	Necisto Y. Sytengco II	13	100%
Member   Executive Director	Lali Y. Sytengco	12	92%

2025 AUDIT AND RISK OVERSIGHT COMMITTEE			
Composition	Name	No. of Meetings Attended/Held	Attendance Percentage
Chairperson   Independent Director	Helen T. de Guzman	5	100%
Member   Independent Director	Roberto F. Anonas, Jr.	5	100%
Member   Executive Director	Geocel D. Olanday	5	100%

2025 CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE			
Composition	Name	No. of Meetings Attended/Held	Attendance Percentage
Chairman   Independent Director	Geocel D. Olanday	3	100%
Member   Independent Director	Roberto F. Anonas, Jr.	3	100%
Member   Independent Director	Helen T. de Guzman	3	100%
Member   Executive Director	Necisto Y. Sytengco II	3	100%
Member   Executive Director	Esmeraldo A. Tepace	3	100%

2025 RELATED PARTY TRANSACTION COMMITTEE			
Composition	Name	No. of Meetings Attended/Held	Attendance Percentage
Chairman / Independent Director	Roberto F. Anonas, Jr.	2	100%
Member / Independent Director	Helen T. De Guzman	2	100%
Member / Independent Director	Geocel D. Olanday	2	100%

2025 FINANCE AND INVESTMENT COMMITTEE			
Composition	Name	No. of Meetings Attended/Held	Attendance Percentage
Chairperson   Executive Director	Aylene Y. Sytengco	2	100%
Member   Executive Director	Necisto Y. Sytengco II	2	100%
Member   Executive Director	Gerry D. Tan	2	100%
Member   Independent Director	Robert F. Anonas, Jr.	2	100%
Member   Independent Director	Geocel D. Olanday	2	100%

2025 NOMINATION AND REMUNERATION COMMITTEE			
Composition	Name	No. of Meetings Attended/Held	Attendance Percentage
Chairperson   Non-Executive Director	Ricardo Nicanor N. Jacinto	*2	100%
Member   Executive Director	Necisto Y. Sytengco II	2	100%
Member   Executive Director	Aylene Y. Sytengco	2	100%
Member   Independent Director	Geocel D. Olanday	2	100%
Member   Lead Independent Director	**Roberto F. Anonas, Jr.	***1	100%

\* The NomRem Committee had 2 meetings conducted on April 28 and December 04, 2025

\*\*Mr. Anonas Jr. was appointed by the board as member of the NomRem committee on its October 09, 2025 meeting

\*\*\*Mr. Anonas Jr. attended the December 04, 2025 meeting of the committee

## Disclosure and Transparency

### SBS Stock Ownership and Share Dealing of Directors in 2025

Name	Security	Ownership Form	As of March 31, 2025	Acquired through Stock Dividend	Acquired	Disposed	Balance as of December 31, 2025
<b>Board of Directors</b>							
Ricardo Nicanor N. Jacinto	Common	Direct	32,000	0 *	-	-	32,000
		Indirect	32,583	14,208 *	-	-	46,791
Aylene Y. Sytengco	Common	Direct	11,618,202	2,556,004	-	-	14,174,206
		Indirect	35,886,378	8,070,452	797,500	-	44,754,330
Necisto Y. Sytengco	Common	Direct	11,237,293	2,472,205	-	-	13,709,498
		Indirect	37,367,719	8,396,348	797,500	-	46,561,567
Gerry D. Tan	Common	Direct	1,000	220	-	-	1,220
		Indirect	31,291	6,884	-	-	38,175
Esmeraldo A. Tepace	Common	Direct	1,000	220	-	-	1,220
		Indirect	182,016	40,043	-	-	222,059
Lali Y. Sytengco	Common	Direct	53,195,423	11,702,993	-	-	64,898,416
		Indirect	4,541,273	999,079	-	-	5,540,352
Geocel D. Olanday	Common	Direct	1,000	220	-	-	1,220
		Indirect	0	0	-	-	-
Roberto F. Anonas, Jr.	Common	Direct	1,000	220	-	-	1,220
		Indirect	241	53	-	-	294
Helen T. De Guzman	Common	Direct	1,000	220	-	-	1,220
		Indirect	0	0	-	-	-

\* The 7,040 shares held by Mr. Ricardo Nicanor N. Jacinto has been lodged under PCD Nominee and is now included in the indirect shares

## Executive Compensation

The total remuneration paid to the President & CEO and the top four senior officers as well as other officers are shown in the table herein below provided. The total annual compensation reported includes the basic salary, variable bonus pays and other allowances received.

The officers of the Company are covered by appointment letters which describe their responsibilities, compensation package and other conditions of work. Except for the legally mandated benefits for termination of employment or retirement from office, there are no special arrangements for compensation to be paid to executive officers in the event of termination of employment or resignation or change in control of the Company.

**Summary Compensation Table**

Name and Principal Position	Year	Salary	Bonuses	Others
<ul style="list-style-type: none"> <li>GerryD.Tan,President &amp;CEO</li> <li>Necisto Y. Sytengco II – COO, SVP Marketing Operations &amp; Assistant Treasurer</li> <li>Aylene Y.Sytengco - Treasurer;</li> <li>AileenG.Codamon–CFO &amp; CRO</li> <li>Esmeraldo A.Tepace - EVP for Corporate and Regulatory Affairs</li> </ul>	Projected 2026	11,166,039.48	450,000.00	4,501,129.73
	Actual 2025	9,022,331.75	275,000.00	3,125,136.42
	Actual 2024	8,640,847.63	345,000.00	2,794,677.03
	Actual 2023	7,234,308.67	345,000.00	3,569,087.53
All other officers and directors as a group unnamed	Projected 2026	3,502,027.99	80,000.00	1,020,166.76
	Actual 2025	3,144,059.96	10,000.00	756,464.52
	Actual 2024	3,144,828.27	0	683,188.87
	Actual 2023	2,977,216.99	10,000.00	719,483.74

### Standard Arrangements for Board of Directors

In 2022, acting on the recommendation of the Nomination and Remuneration Committee, the shareholders of the Corporation approved and fixed the per diem allowances for Board meeting attendance of each Independent and Non-Executive Director as follows, which remain unchanged to date:

	Board Meetings (Regular & Special)	Board Committee Meetings
Independent and Non-Executive Directors	P35,000.00 per meeting attended	P20,000.00 per meeting attended

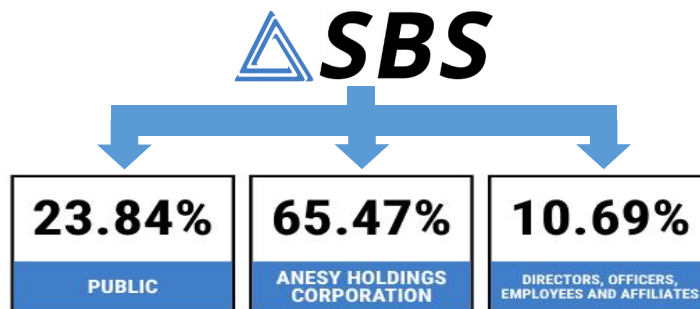
Directors who hold executive or management positions do not receive director fees or per diem allowances for services rendered as a director.

Director	Total Remuneration Received (in the form of per diem allowances for meetings attended)		
	FY 2023	FY 2024	FY 2025
Ricardo Nicanor N. Jacinto <i>Non-Executive Director, Chairman of the Board and Chairman of the Nomination &amp; Remuneration Committee</i>	Php415,000	Php320,000	Php 285,000
Roberto F. Anonas, Jr. <i>Lead Independent Director &amp; Chairman of the Related Party Transaction Committee</i>	Php555,000	Php580,000	Php 505,000
Geocel D. Olanday <i>Independent Director &amp; Chairman of the Corporate Governance &amp; Sustainability Committee</i>	Php655,000	Php640,000	Php 525,000

Helen T. De Guzman <i>Independent Director &amp; Chairperson of the Audit &amp; Risk Oversight Committee</i>	Php515,000	Php540,000	Php 445,000
Lali Y. Sytengco <i>Executive Director</i>	Executive Directors do not receive any compensation as directors.		
Gerry D. Tan <i>Executive Director &amp; Chairman of the Executive Committee</i>			
Esmeraldo A. Tepace <i>Executive Director</i>			
Aylene Y. Sytengco <i>Executive Director &amp; Chairperson of the Finance &amp; Investment Committee</i>			
Necisto Y. Sytengco II <i>Executive Director</i>			

Other than the payment of reasonable per diem allowances, as discussed above, there are no other arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director.

### Shareholdings as of December 31, 2025



### Corporate Social Responsibility

#### Plastic Bottle Bin Initiative

SBS Philippines Corporation continues to champion environmental sustainability through its “Used Plastic Bottle Garbage Bin” program. As part of this initiative, the company has donated plastic bottle garbage bins to local communities, including Barangay Lias in Marilao, Bulacan, and Barangay Bungad in Quezon City. Barangay Officials warmly welcomed the donations and expressed their strong support. This program underscores SBS Philippines’ commitment to reducing plastic waste while aligning with the government’s drive for a cleaner, greener future.

The program has already been implemented at our facilities in Marilao, Quezon City, and Malabon. Building on this success, SBS Philippines Corporation is now working hand in hand with local Barangay offices to expand the initiative further.



### Empowering Women, Inspiring Change



SBS Philippines Corporation partnered with the Philippine Cancer Society (PCS) to bring vital health services closer to communities through its Breast Cancer Screening program.

Using the PCS Mobile Clinic, the initiative reached women who might otherwise have limited access to medical care, offering screenings that promote early detection and awareness.

Each stop of the mobile clinic carried not just medical equipment but also a message of hope, reminding women that their health and well-being matter. By supporting early diagnosis, SBS Philippines reinforces its commitment to community care and corporate social responsibility. This program reflects the company's belief that sustainability is not only about the environment but also about nurturing healthier, stronger communities for the future.



### Awards and Recognition

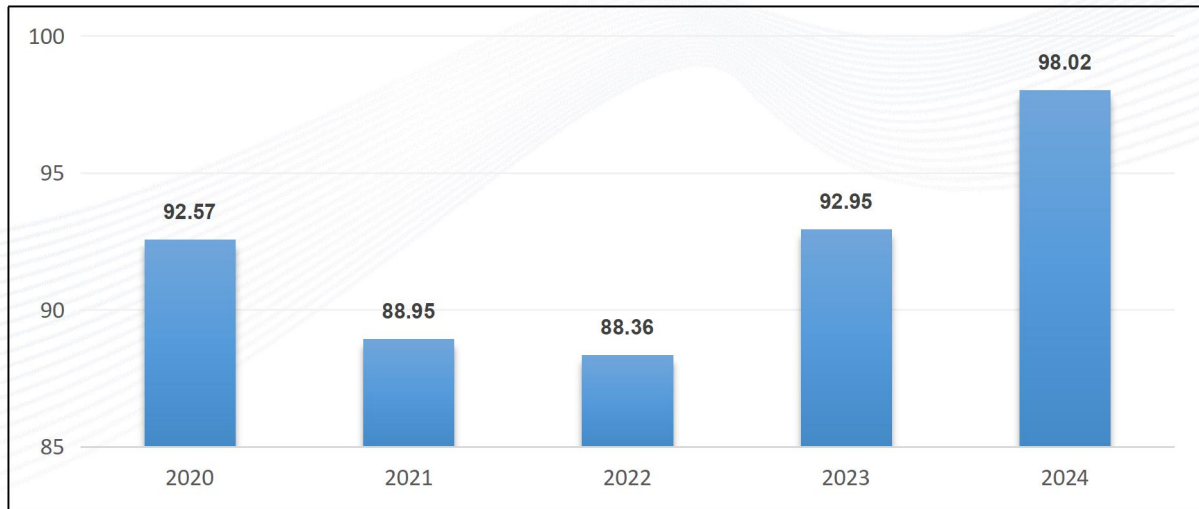
#### ASEAN Corporate Governance Scorecard Performance



In 2025, the Institute of Corporate Directors (ICD), in partnership with the Securities and Exchange Commission (SEC), announced the conclusion of the 2024 assessment of the Philippine Publicly Listed Companies (PLCs) under the ASEAN Corporate Governance Scorecard (ACGS) where SBS attained 3 Golden Arrow Award equivalent to a score of 98.02.

This milestone demonstrates SBS' commitment to align its business and organizational culture and corporate value system towards responsible stewardship.

#### 5-Year ASEAN CG Scorecard



The ACGS is a globally-benchmarked scoring system designed for improving the corporate governance performance of PLCs from participating ASEAN countries. It consists of questions based on the G20/OECD Principles of Corporate Governance. Bonus and penalty sections are included to recognize conformance with accepted best governance practices and to encourage addressing the challenging areas among PLCs.

The assessment is done annually by ICD as the SEC's duly appointed domestic ranking body in the Philippines.

## SBS Philosophy on Sustainability

### Our Sustainability



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.



### Our Organizational Structure



## 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. Tepage**

Executive Director

**Lali Y. Sytengco**

Executive Director

**Helen T. De Guzman**

Independent Director

**Geocel D. Olanday**

Independent Director

**Roberto F. Anonas, Jr.**

Lead Independent Director

### EXECUTIVE COMMITTEE

Chairman

Gerry D. Tan

Members

Esmeraldo A. Tepage

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. Tepage

### NOMINATION and REMUNERATION COMMITTEE

Chairman

Ricardo Nicanor N. Jacinto

Members

Necisto Y. Sytengco, II

Aylene Y. Sytengco

Geocel D. Olanday

Roberto F. Anonas, Jr.

### 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

**Necisto Y. Sytengco, II**

Chief Operating Officer, Senior

Vice President for Marketing

Operations, & Assistant Treasurer

**Esmeraldo A. Tepage**

Executive Vice President for

Regulatory and Corporate Affairs

**Aylene Y. Sytengco**

Treasurer

**Aileen Lou G. Codamon**

Chief Financial Officer & Chief

Risk Officer

**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 and

Corporate Information Officer

**Emerson P. Paulino**

Chief Audit Executive

**Jose Ma. Jason J. Francisco**

Data Protection Officer

### STOCK TRANSFER AGENT BDO Unibank, Inc.- Trust & Investments Group

15/F BDO Corp. Center, South Tower

7899 Makati Avenue, Makati City 0726

### 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

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Del Monte, Quezon City

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F (632) 8371-1288

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