

JG Summit Holdings, Inc.  
2022 Sustainability Report

## Table of Contents

2

Our Company and our Sustainability Journey  
Growing our Sustainability credentials steadily

6

Our Sustainability Strategy and Targets  
Building Responsiveness, Resiliency and Relevance to our Business Strategies

15

Our Sustainability Performance  
Working collectively to achieve business success and contribute to sustainable development

56

Our Governance and Enterprise Risk Management  
Setting the tone from the top through oversight of our Board Directors

88

Annexes

## Our Company and our Sustainability Journey

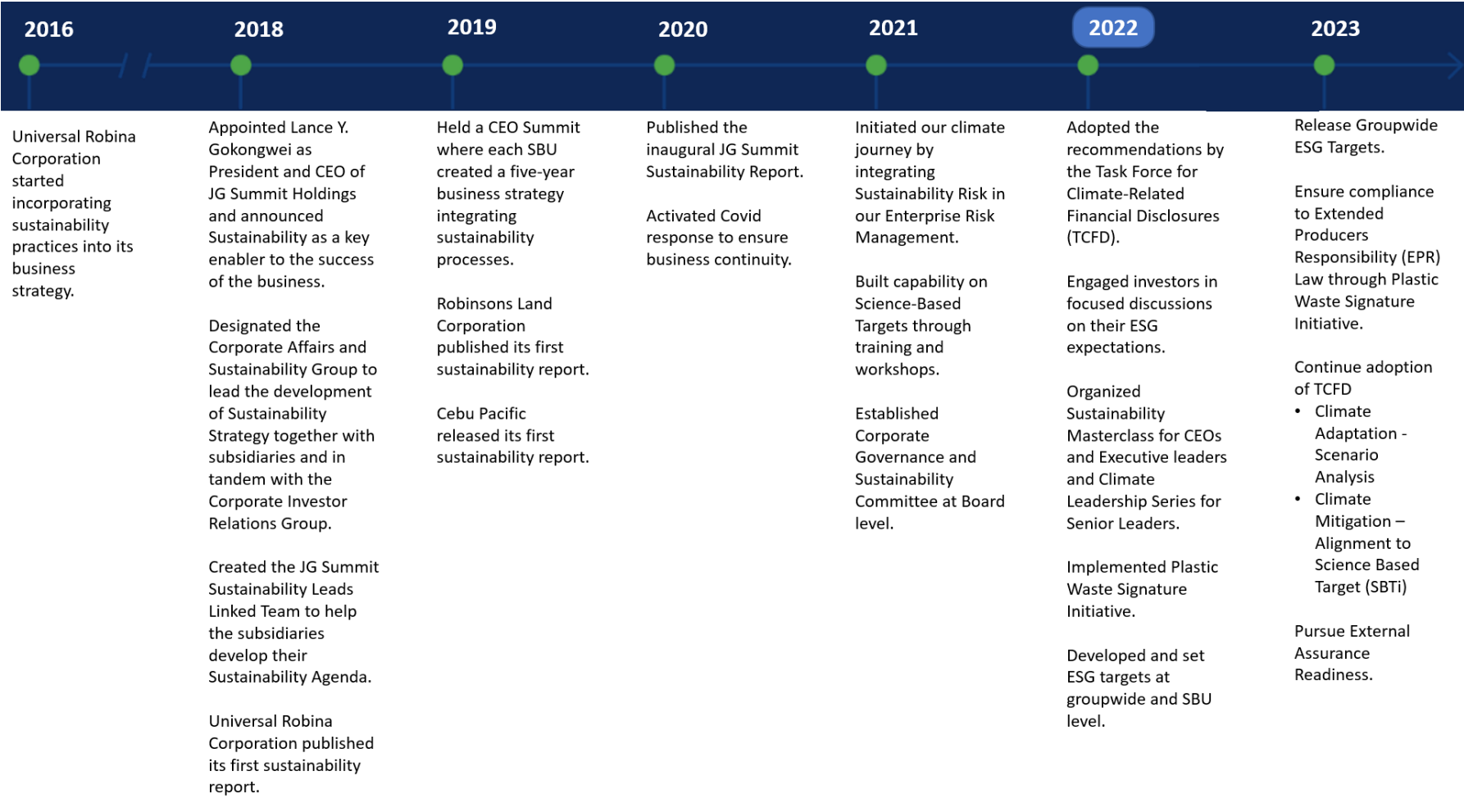
Name of Organization	JG Summit Holdings, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	JG Summit Holdings, Inc. is a holding company for a group of companies with substantial business interests in food, Agro-industrial and commodities, real estate and hotel, air transportation and petrochemicals. It also has core investments in telecommunications, and power generation and distribution.
Location of Headquarters	Robinsons Equitable Tower
Location of Operations	<p>The parent company and its subsidiaries conduct businesses throughout the Philippines, in and around Metro Manila (where it is based) and in the regions of Luzon, Visayas, and Mindanao. It also has a presence in several regions in the Asia Pacific. A more detailed map of the company’s geographic presence is available at <a href="https://www.jgsummit.com.ph/annualreport2021/investment-portfolio/geographic-presence">https://www.jgsummit.com.ph/annualreport2021/investment-portfolio/geographic-presence</a></p> <p>Subsidiaries:</p> <ul style="list-style-type: none"> <li>• <b>Universal Robina Corporation (URC)</b> has manufacturing facilities in the Philippines, Myanmar, Thailand, Vietnam, Indonesia, Malaysia and China; distribution facilities in Laos and Cambodia; and sales offices in Hong Kong and Singapore.</li> <li>• <b>Cebu Air, Inc.’s (CEB)</b> network spans operations in Southeast Asia, North Asia, the Middle East, and Australia. As of March 2023, the Company operates 35 domestic stations and 70 domestic routes, as well as 25 international stations and 38 international routes.</li> <li>• <b>JG Summit Olefins Corporation (JGSOC)</b>, headquartered in Pasig City, operates its manufacturing plant in Batangas City.</li> <li>• <b>Robinsons Land Corporation (RLC)</b> has properties distributed in 51 cities and 13 municipalities in 30 provinces.</li> <li>• <b>Robinsons Bank Corporation (RBank)</b> and its subsidiary, Legazpi Savings Bank, have 190 branches in 42 provinces. Robinsons Bank also has 222 banking agents located in NCR and in 38 provinces.</li> </ul>

## About this Report

Report Boundary	<p>Unless otherwise specified in specific sections, this report shall cover JG Summit Holdings, Inc. (JGSHI) including its five (5) strategic business units (or subsidiaries):</p> <p><b>Universal Robina Corporation</b></p> <ul style="list-style-type: none"> <li>• Branded Consumer Foods (BCF) Philippines (PH) and International (INTL)</li> <li>• Agro-Industrial and Commodities (AIC)</li> </ul> <p><b>Cebu Air, Inc.</b></p> <ul style="list-style-type: none"> <li>• Cebgo, Inc.</li> <li>• Aviation Partnership Philippines Corporation</li> </ul> <p><b>Robinsons Land Corporation</b></p> <ul style="list-style-type: none"> <li>• Robinsons Malls</li> <li>• Robinsons Offices</li> <li>• Robinsons Hotels and Resorts</li> <li>• Robinsons Residential</li> <li>• Robinsons Industrial and Logistics Facilities</li> <li>• Robinsons Integrated Developments</li> </ul> <p><b>Robinsons Bank Corporation</b></p> <ul style="list-style-type: none"> <li>• Legazpi Savings Bank, Inc.</li> </ul> <p><b>JG Summit Olefins Corporation</b></p> <ul style="list-style-type: none"> <li>• JG Summit Olefins Corporation</li> <li>• Peak Fuel Corporation</li> </ul>	
Reporting Period	January 1, 2022 to December 31, 2022	
Highest Ranking Person responsible for this report	Renato Salud Senior Vice President Corporate Affairs and Sustainability	Michael P. Liwanag Senior Vice President Chief Strategy Officer

# Our Sustainability Journey – Deepening our Sustainability Commitment

From the outset of our sustainability journey, we recognized that it would be a marathon and not a sprint. Every year, we establish new heights in achieving sustainability credentials, guided by global standards and best practices. We understand the importance of taking steady and incremental steps towards our sustainability goals, and we remain committed to this approach.



## Our Sustainability Strategy and Targets

### Building Responsiveness, Resiliency and Relevance to our Business Strategies

#### Responsiveness through constant Stakeholder Engagement

Continuous stakeholder engagement is particularly important as it allows our organization to stay up-to-date with the concerns and issues of our stakeholders as they evolve over time. This can help us to adapt our sustainability strategies in response to changing circumstances and ensure that our organization remains responsive to the needs of our stakeholders.

In addition, demonstrating responsiveness is a key aspect of building trust with our stakeholders. We aim to listen to their concerns and take actions to address them, thereby building strong relationships with our stakeholders and enhancing our organization's reputation for sustainability.

Every year, we review feedback from each of our stakeholders through various modes of engagements.

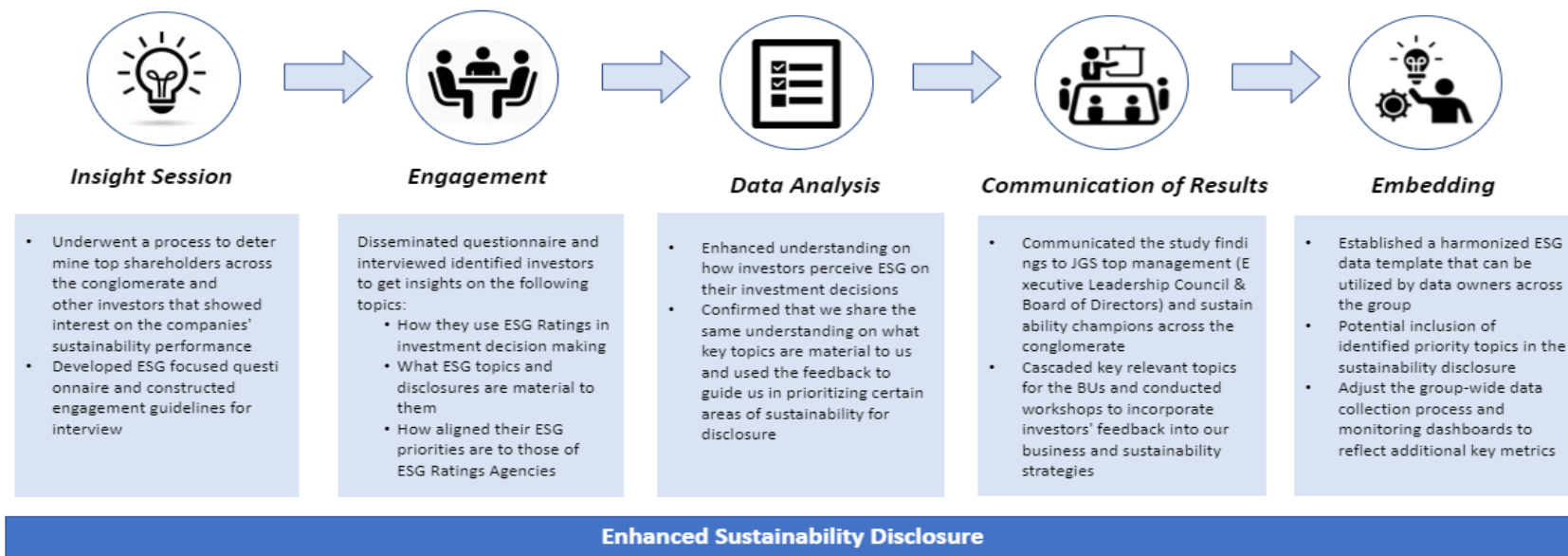
Stakeholders	Material Concerns	Modes of Engagement	Response
Investors and shareholders	<ul style="list-style-type: none"> <li>Financial growth and profitability</li> <li>Ethical standard for governance and business conduct</li> <li>Commitment and targets to social and environmental responsibility especially on Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>Result briefings through Quarterly and Annual Reports</li> <li>Annual stockholder meetings</li> <li>Disclosures to the Philippine Stock Exchange and other pertinent agencies</li> <li>Meetings with investors</li> <li>Engagement with investors to better understand how Environment, Social and Governance (ESG) issues are considered when making their investment decisions (ESG Excellence Project)</li> </ul>	<ul style="list-style-type: none"> <li>Continuous development of business strategy to improve financial and operational performance</li> <li>Compliance with laws and regulations</li> <li>Adherence to good governance principles</li> <li>Incorporation of sustainability to business strategy</li> <li>Enhanced sustainability disclosure to include strategy to reach targets along with milestones</li> </ul>

Stakeholders	Material Concerns	Modes of Engagement	Response
Employees	<ul style="list-style-type: none"> <li>• Competitive compensation and benefits</li> <li>• Frequent career conversations between employees and their managers</li> <li>• Exposure to career advancement opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Town hall meetings</li> <li>• Open dialogues</li> <li>• Pulse Employee Engagement Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous benchmarking to ensure up to date provision of competitive salaries, benefits, and employee growth initiatives such as formal training and e-training</li> <li>• Strong partnership between HR and leadership on employees' performance management and development</li> <li>• Setting of town hall meetings and other avenues for employee communication</li> <li>• Adherence to good labor practices and workplace standards</li> </ul>
Suppliers and service providers	<ul style="list-style-type: none"> <li>• Lasting business commitments</li> <li>• Complying to sustainable policies of JGSHI</li> <li>• Timely payment</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor audits</li> <li>• Open line communication</li> </ul>	<ul style="list-style-type: none"> <li>• Execution of purchasing ethics, strategic purchasing, and supplier relationship management</li> <li>• Strict implementation of Supplier Accreditation Policy</li> <li>• Practice of due diligence in processing liabilities</li> </ul>
Regulators and government bodies	<ul style="list-style-type: none"> <li>• Legal compliance with laws and regulations</li> <li>• Feedback on legislative proposals</li> <li>• Partnership in social and environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Annual and Sustainability Reports</li> <li>• Statement of compliance</li> <li>• Licenses to operate</li> <li>• Position Papers</li> <li>• Corporate social responsibility programs</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Submission of official positions on legislative proposals</li> <li>• Implementation of initiatives to support government programs (e.g., Lingkod Pinoy Centers and tree planting)</li> </ul>
Communities	<ul style="list-style-type: none"> <li>• Community development and engagement</li> <li>• Responsible environmental management</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate social responsibility programs</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous design and development of projects that respond to community needs</li> <li>• Compliance with environmental standards</li> </ul>

Stakeholders	Material Concerns	Modes of Engagement	Response
Customers of SBUs	<ul style="list-style-type: none"> <li>Product quality</li> <li>Health and safety</li> <li>Marketing and labelling</li> <li>Data Privacy</li> </ul>	<ul style="list-style-type: none"> <li>Open communication channels</li> <li>Customer Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>Quality assurance for products and services of each SBU</li> <li>Implementation of environmental, safety, and quality standards and assurance systems</li> <li>Proper marketing and labelling for product content, usage and service inclusions</li> <li>Enhanced JGSHI-wide information security system to prevent any data leak and security breach</li> </ul>

### Our Investor Engagement Process

In 2022, we took a deep dive in understanding the view of investors through our ESG Excellence project as their ESG expectations are continually evolving. By doing so, we are guided on how we can improve our sustainability performance and disclosures which they consider when making investment decisions.





*Summary of findings:*

1. Based on engagement with investors, we are able to identify priority issues which we aim to disclose and guide our sustainability performance
2. Topics around Climate change were identified as the priority environmental issue, which is aligned to one of our identified strategic pillars on our commitment to Climate Action
3. Investors are interested on forward looking plans which includes targets that need to be backed by clear roadmaps or key actions on how to achieve them

*Our Response:*

1. Integrate the investor identified priority topics into our Materiality process and work with our internal partners to provide data which can be eventually disclosed
2. Work with our subsidiaries to maintain focus on Climate Action to ensure yearly progress
3. Release forward-looking plans (please refer to page 13 for ESG Targets)

## Our Sustainability Strategy and Commitments

### Relevance to Our Business Success and Sustainable Development

Our sustainability framework is integrated into our strategic planning process, as we recognize its importance to the future success of our businesses. We also understand that each focus area of our sustainability strategy represents our meaningful contributions towards achieving selected and aligned UN Sustainable Development Goals. As such, we remain committed to embedding sustainability considerations into all aspects of our business operations.

Our Sustainability Strategy revolves around five (5) key focus areas and we have declared commitments in the coming years:

- **Climate action.** We will ensure a low-carbon transition for our businesses and strengthen our climate-related risk management.
  - We invest in modernizing our airline fleet to be the best available in the market and implement fuel optimization measures.
  - We focus on improving energy and fuel use in our food manufacturing, and petrochemical businesses.
  - We create resilient and low-carbon spaces in our real estate business through well-planned land banking and efficient building design.
  - We supplement these initiatives by supporting other companies by financing climate-related projects through RBank.
  - We will use science to better understand the physical and transition risks of future climate scenarios in all our investments.
  - We will scale renewable power sourcing in all our businesses.
  
- **Resource Efficiency and Circularity.** We optimize our use of natural resources and foster circularity in all our businesses.
  - We continuously improve process efficiency in our resource-intensive business lines, so that we limit the use of scarce resources such as land, construction materials, and input commodities.
  - We recover and divert waste from our operations, products, and services.
  
- **Employee Growth and Well-being.** We nurture our people by investing in their growth and well-being.
  - Our people are our greatest asset. We attract and retain the best people by establishing an engaging atmosphere and providing opportunities for professional growth.
  - We look after the overall well-being of our employees, always ensuring their health and safety.
  
- **Shared Success.** We continually grow and invest in our businesses as we enable our people and partners to grow with us.
  - **Our Partners**
    - We provide equitable economic opportunities to our Micro, Small & Medium Enterprises (MSMEs) suppliers and service providers to help them remain profitable in times of uncertainty.
    - We will equip our suppliers and business partners with tools that will help them manage their ESG risk.
  - **Our Communities**
    - We invest in community enterprise development by partnering with local communities in our supply needs.
  - **Policies for equitable practice**
    - We ensure the equitable flow of economic value to all our stakeholders through inclusive management and governance.

- **Better Choices.** We innovate for more accessible and responsive products and services to offer better choices to Filipinos and enable them to live the life they want for themselves.
  - o Healthier Options
    - We provide consumers with high quality, healthy, and nutritious food choices.
  - o Green Buildings
    - Our new RLC Office Buildings in Metro Manila will be green certified.
  - o Affordable Flights
    - We ensure that every Juan can travel by providing safe, affordable, and accessible flight options.
  - o Innovative Petrochemical Products
    - We continuously innovate our petrochemical products and provide solutions to address clients' needs and requirements.

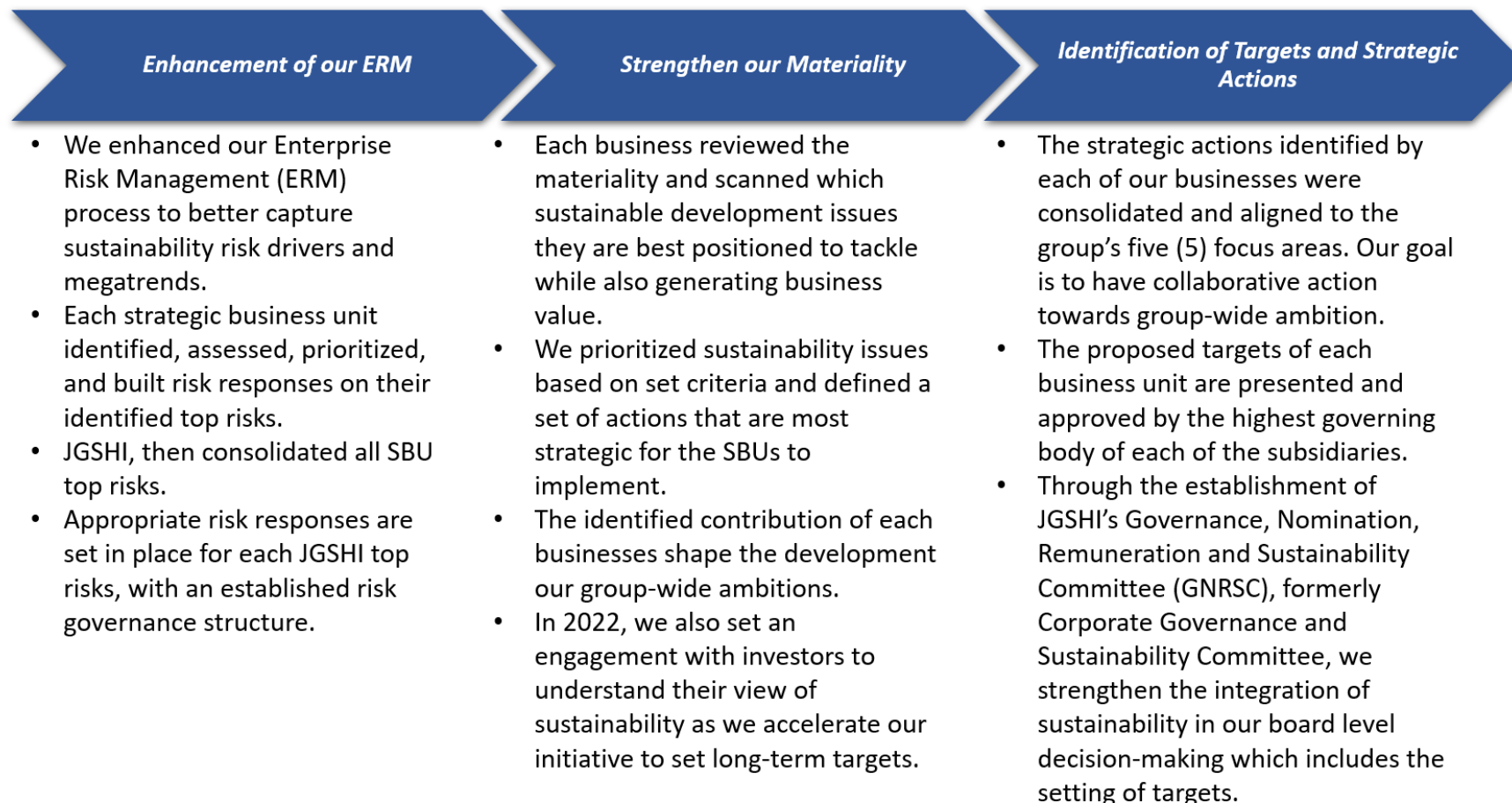
## Resiliency and Sustainability interwoven in our ESG Targets

Resilient businesses are those that can withstand and adapt to changes and disruptions in the market, economy, or environment. They have the ability to innovate and be agile in response to these changes, allowing them to continue to operate and grow over a long period of time despite challenges. A key aspect of resilience is the capacity to learn from and adapt to past disruptions, so that the business can become more resilient over time. Overall, resilience is essential for businesses to remain sustainable and achieve their long-term goals.

As we strengthen our initiatives around our five (5) Sustainability Focus Areas, we commit to deliver to these targets with key steps in resiliency of our businesses specially in dealing with Climate Change, ensuring our employees are ready to face our challenges and keeping our products and delivery of services adaptable to the ever-changing needs of our customers and the times.

## Our Process in Developing ESG Targets

Stakeholder Management and Enterprise Risk Management processes are key steps that feed into our long-term strategic planning process which includes the identification of financial and non-financial targets.



Our ESG Targets

Focus Area	Target	Key Actions
<p><b>Climate Action</b></p> <p>We will ensure a low-carbon transition for our businesses and strengthen our climate-related risk management.</p>	<p><b>Low carbon transition roadmap released by 2025, as we aspire to achieve net zero by 2050</b></p> <p><b>Major hotspots<sup>1</sup> are assessed and managed on climate risk by 2030</b></p>	<p><b>Low Carbon Transition (Climate Mitigation):</b></p> <ul style="list-style-type: none"> <li>• <b>2023</b> – Alignment to Science-Based Targets Initiative (SBTi)</li> <li>• <b>2024</b> – Evaluate our carbon reduction initiatives and offset opportunities</li> <li>• <b>2025</b> - Explore carbon removal technologies and business models</li> </ul> <p><b>Resilience (Climate Adaptation):</b></p> <ul style="list-style-type: none"> <li>• <b>2023</b> – Initiate Scenario Analysis in selected JGSHI hotspots<sup>1</sup> (Metro Manila, Batangas City)</li> <li>• <b>2024/2025</b> – Continue Scenario Analysis in hotspots<sup>1</sup></li> <li>• <b>2030</b> – Complete remaining hotspots<sup>1</sup></li> </ul>
<p><b>Resource Efficiency &amp; Circularity</b></p> <p>We optimize our use of natural resources and foster circularity in all our businesses.</p>	<p><b>Plastic neutrality by 2030<sup>2</sup></b></p>	<p><b>Circularity: Post Consumer Plastic wastes across the group are fully recovered and diverted</b></p> <ul style="list-style-type: none"> <li>• <b>2023</b> - 20% of plastic waste footprint</li> <li>• <b>2024</b> - 40% of plastic waste footprint</li> <li>• <b>2025</b> - 50% of plastic waste footprint</li> <li>• <b>2030</b> - 100% of plastic waste footprint</li> </ul>

<sup>1</sup> **Hotspot** is defined as a location with major presence of JGSHI subsidiaries signifying where climate change can impact the businesses most.

<sup>2</sup> **Plastic neutrality** shall refer to a system or its desired outcome where, for every amount of plastic product footprint created, an equivalent amount thereof is recovered or removed from the environment by the product producers through an efficient waste management system. - EPR Law

Focus Area	Target	Key Actions
<p><b>Employee Growth and Well Being</b></p> <p>We nurture our people by investing in their growth and well-being.</p>	<p><b>Zero lost-time incident annually</b></p> <p><b>JGSHI Employees receives an average of 24 training hours annually per employee</b></p>	<p><b>Continue Safety initiatives and monitoring of safety incidents</b></p> <p><b>Continue provision of online and face to face trainings for all JGSHI employees</b></p>
<p><b>Shared Success</b></p> <p>We continually grow and invest in our businesses as we enable our people and partners to grow with us.</p>	<p><b>All major vendors are aligned and comply to JGSHI key ESG practices by 2025</b></p>	<p>All key partners and vendors are assessed on ESG risks</p> <p><b>2023:</b> Relevant supplier ESG risk parameters are identified</p> <p><b>2024:</b> All key suppliers go through assessment process</p>
<p><b>Better Choices</b></p> <p>We innovate for more accessible and responsive products and services to offer better choices to Filipinos and enable them to live the life they want for themselves.</p>	<p><b>For URC, by 2030</b></p> <ul style="list-style-type: none"> <li>- 70% of our product portfolio will meet at least 1 wellness criteria</li> <li>- 25% of our product portfolio will meet at least 2 wellness criteria <sup>3</sup> (BCF PH and INTL)</li> </ul> <p><b>For RLC</b></p> <ul style="list-style-type: none"> <li>- 100% of new office buildings in Metro Manila will be GREEN Certified starting 2021</li> </ul> <p><b>For CEB</b></p> <ul style="list-style-type: none"> <li>- 34 million passengers, 100 routes and 50 destinations, 39 million seat capacity by 2026</li> </ul>	<p><b>The group will continue to offer better choices through:</b></p> <ul style="list-style-type: none"> <li>• <b>Healthier and nutritious food;</b></li> <li>• <b>Greener buildings;</b></li> <li>• <b>Affordable and accessible flight options; and</b></li> </ul>

<sup>3</sup> Wellness Criteria: For details of the criteria, please refer to page 54.

Focus Area	Target	Key Actions
	<b>For JGSOC</b> - Expanded polymer product portfolio of EVALENE and EVALENE PLUS by 20% in 2026 - Potential for increased incorporation of recyclates up to 50% in 2028 for targeted resin grades	<ul style="list-style-type: none"> <li>• <b>Innovative petrochemical products</b></li> </ul>

## Our Sustainability Performance

Working collectively to achieve business success and contribute to sustainable development

### Climate Action

In 2022, as our economy opened and our subsidiaries increased their operations, our total energy consumption increased by 63.76%. This also led to 47.83% increase in our carbon emissions compared to 2021. To mitigate this rise in emissions, we have implemented several energy savings activities and increased our renewable energy consumption by 67.67%. This was made possible by generating our own solar and biomass energy in RLC Malls, JGSOC and URC facilities coupled with purchasing renewable energy from the grid.

For CEB, we continue to utilize a fuel-efficient fleet through our next-generation Airbus New Engine Option (NEO) aircraft, implement fuel efficiency best practices, and integrate the use of sustainable aviation fuel in our operations. CEB has likewise initiated in 2022 the electrification program of our ground support vehicles and equipment. The long-term transition to an electric, zero-emission ground fleet will reduce emissions from CEB's ground operations to further contribute to our net-zero goal.

To further reduce GHG emissions, we plan to invest in more renewable energy sources like solar installations and explore the use of alternative sustainable fuel in our operations.

<p><b>29,658,971</b></p> <p>GJ</p> <p><b>Total Energy Consumption</b></p>	<p><b>1,668,296</b></p> <p>GJ</p> <p><b>Total Renewable Energy Consumption</b></p>	<p><b>49.30</b></p> <p>%</p> <p><b>Share of Own Generated Renewables to Total RE Consumption</b></p>	<p><b>2,615,183</b></p> <p>tCO2e</p> <p><b>GHG Emission</b></p>
---	--	--	---

SBU	Program	Activities	Result and Impact	SDG
JGSOC	<b>GHG Reduction through use of solar energy</b>	<ul style="list-style-type: none"> <li>Php 410,866,472.5 investment in onsite RE installation in 2022 (under Merbau Corporation)</li> </ul>	<ul style="list-style-type: none"> <li>Total 12,715.4 tonnes of CO2e avoided</li> <li>First phase of 5 buildings (total area coverage of 43,960 sqm) with combined 5.8MW capacity of rooftop solar system installed in 2022</li> </ul>	SDG 7, 9, 13
RLC	<b>Reduction of property emissions through renewable energy</b>	<ul style="list-style-type: none"> <li>Php 1.7B investment on Solar Panel Installations since 2015 in malls</li> </ul>	<ul style="list-style-type: none"> <li>24 malls with onsite solar with 30 MW capacity since 2015</li> <li>99,100 solar panels and 776 inverters installed</li> <li>139,114.25 MWh Total Energy Saved amounting to Php 1,152.87 million total cost savings</li> <li>98,590.92 tonnes of CO2e avoided equivalent to 1.6 million Trees Planted</li> </ul>	SDG 7, 9, 13
		<ul style="list-style-type: none"> <li>Shift to sourcing from Renewable Energy Supplier (RES)</li> </ul>	<ul style="list-style-type: none"> <li>4 malls using 100% renewable energy as of 2022</li> <li>24,921.1 tonnes of CO2e avoided equivalent to 412,062 Trees Planted</li> <li>17, 164.28MWh Total Energy Saved</li> </ul>	SDG 7, 13
CEB	<b>Fleet modernization through next-gen Airbus NEOs</b>	<ul style="list-style-type: none"> <li>Investment on new aircrafts in 2021, with four new NEO aircraft delivered and added to the fleet</li> <li>Fuel-efficient aircraft that reduces fuel burn by at least 15% compared to previous generation counterparts</li> </ul>	<ul style="list-style-type: none"> <li>New planes are fitted with more seats, allowing CEB to grow its customer base without increasing the number of flights.</li> <li>Estimated 17,601 tonnes of CO2e avoided</li> </ul>	SDG 9



SBU	Program	Activities	Result and Impact	SDG
	<p><b>Integration of sustainable aviation fuel (SAF) in operations</b></p>	<ul style="list-style-type: none"> <li>• Development of SAF supply for the entire CEB network</li> <li>• Strategic partnership with Shell Aviation to supply a portion of future SAF requirements</li> <li>• Operated a maiden sustainable flight, becoming the 1st Philippine carrier to use SAF in its commercial operations</li> <li>• Use of SAF in deliveries of new aircrafts</li> </ul>	<ul style="list-style-type: none"> <li>• 27,905 liters of SAF used</li> </ul>	SDG 12
	<p><b>Enhancement of fuel efficiency practices in operations</b></p>	<ul style="list-style-type: none"> <li>• Pilot Training on fuel efficiency best practices</li> <li>• My Fuel Coach application for pilot monitoring <ul style="list-style-type: none"> <li>▫ Continuous descent approach</li> <li>▫ Single engine taxiing</li> <li>▫ Quicker acceleration to cruise altitude</li> <li>▫ Idle reverse thrust</li> <li>▫ Optimized fuel load</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 6.9 million kgs of jet fuel saved</li> <li>• Estimated 21,843 tonnes of CO<sub>2</sub>e avoided</li> </ul>	SDG 9
URC	<p><b>Sustainable Alternative BioFuels</b></p>	<ul style="list-style-type: none"> <li>• Php 3.5 million investment for a 30 tonnes per hour biomass boiler feeding system</li> <li>• Ongoing study for identification of 3 sustainable alternative biofuels to coal <ul style="list-style-type: none"> <li>• Ongoing plant trial for Palm Kernel Shell as alternative fuel to coal</li> <li>• Study on regulatory requirements on transition of coal to biomass</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 7,700 tonnes of CO<sub>2</sub> emissions has been reduced</li> <li>• 100% Utilization of waste biomass generated from BCF sites as boiler fuel</li> <li>• More than Php 12 million in cost avoidance generated in 2022</li> </ul>	SDG 7, 9, 13

SBU	Program	Activities	Result and Impact	SDG
	<b>Installation of Solar Rooftops in URC sites</b>	<ul style="list-style-type: none"> <li>Expansion of solar rooftop installation for BCF Philippines</li> </ul>	<p>For URC BCF PH sites (Canlubang &amp; Calamba):</p> <ul style="list-style-type: none"> <li>1,000 kWp Solar rooftop in URC Canlubang</li> <li>3,500 kWp Solar rooftop in URC Calamba</li> <li>Php 2.2 million savings</li> <li>Estimated 2,000 tCO<sub>2</sub> Emission has been reduced in 2022</li> </ul> <p>URC Thailand</p> <ul style="list-style-type: none"> <li>6,000 kWp solar rooftop in URC Thailand</li> <li>2,091 GJ electricity</li> <li>3,176 tCO<sub>2</sub> emission reduced</li> </ul> <p>URC Vietnam</p> <ul style="list-style-type: none"> <li>3,000 kWp solar rooftop system panels installed in URC Vietnam</li> <li>Estimated 540 tCO<sub>2</sub> emission has been avoided</li> </ul>	SDG 7, 9, 13
	<b>Purchase Electricity from Renewable Energy Sources</b>	<ul style="list-style-type: none"> <li>693,899 GJ of electricity consumed n 2022 comes from renewable sources</li> </ul>	<ul style="list-style-type: none"> <li>Estimated of 120,000 tCO<sub>e</sub>/yr reduction based on 2022 electricity consumption</li> </ul>	SDG 7, 13
	<b>Project JAGUAR X (Journey in Achieving Sustainability Goals thru Utilities and Assets Renewal)</b>	<ul style="list-style-type: none"> <li>Renewal for HP Air compressors and Chillers in URC BCF sites</li> <li>Php 868 million since its launch</li> </ul>	<ul style="list-style-type: none"> <li>Energy use reduction of 14% annually</li> <li>Estimated 42,000 tonnes of CO<sub>2</sub> emissions reduced</li> </ul>	SDG 7, 9

SBU	Program	Activities	Result and Impact	SDG
	<b>Nationwide-tree planting initiative during Environment Celebration</b>	<ul style="list-style-type: none"> <li>5,900 Total Seedlings planted during the Environment Celebration in 25 areas nationwide under the theme “Protect Nature, Sustain Our Future” in partnership with LGU and DENR Municipal Environment and Natural Resource Office (MENRO) / Community Environment and Natural Resources Office (CENRO)</li> </ul>	<ul style="list-style-type: none"> <li>Estimated 147 tonnes<sup>4</sup> of CO<sub>2</sub> can be absorbed once these trees mature</li> </ul>	SDG 13

#### RLC continues to accelerate Solar Panel Installation in its malls

As the leading solar-powered mall operator in the country, RLC is dedicated to reducing carbon emissions and fostering a more sustainable future. Since 2015, RLC has invested in 30 MW of solar energy capacity, reaching 99,100 panels installed on various mall rooftops by 2022. This has resulted in 140,000 MWh of saved energy and 100,000 tonnes of avoided carbon emissions--that’s equivalent to 1.6 million newly planted trees.

Going forward, RLC has set its sights on continued commitment to renewable energy sources and hopes to expand installation solar panels in four more malls in the next few years. Moreover, though general economic recovery appears imminent, RLC remains determined to counter potential carbon emissions growth with their initiatives.

#### CEB operates its first SAF-powered commercial flight

CEB, the leading carrier in the Philippines, operated on 28 September 2022 a Singapore to Manila passenger flight powered by SAF, becoming the first Philippine carrier to incorporate SAF in its commercial operations.

---

<sup>4</sup> Sequestration Rate depends on the age of trees, type of trees, number of trees per hectare, spacing between trees, etc.

CEB's maiden SAF flight was operated with an Airbus A321neo, using 35% blended SAF produced by Neste and supplied by Shell Eastern Petroleum.

CEB signed a long-term strategic partnership with Shell Eastern Petroleum to collaborate on making SAF more widely available, demonstrating the two parties' commitment to decarbonization and sustainability. The Memorandum of Understanding (MOU) explores the supply and purchase of SAF in Asia-Pacific and the Middle East, with an initial supply volume of at least 25 kilotons per year.

SAF is a "drop-in" replacement for fossil fuels made from agricultural feedstock, and waste materials, such as used cooking oil and animal fat. Using SAF results in up to 80% reduction in carbon emissions over the fuel's life cycle. The chemical and physical characteristics of SAF are identical to those of conventional jet fuel, and these can be safely mixed with regular jet fuel. SAF does not require any modification to the aircraft or engines and does not have any negative impact on performance or maintenance.

CEB used SAF for the first time in May on a delivery flight of a brand new A330neo from France to the Philippines. In line with its sustainability initiatives, blended SAF will be part of the standard procedures in all future Airbus NEO deliveries.

For the maiden SAF flight, CEB utilized its A321neo, which belongs to the A320neo Family. It offers the widest single-aisle cabin in the sky and incorporates the latest technologies, including new-generation engines and Sharklets, delivering a 20% reduction in fuel consumption per seat, compared to previous generation A320 aircraft. As with all in-production aircraft, the A320neo family is certified to operate with a 50% SAF blend and Airbus is committed to enabling the use of up to 100% SAF by 2030.

As part of the airline's sustainability efforts, it aims to transition to an all-NEO fleet by 2028 and incorporate the use of blended SAF for its entire commercial network. The airline's sustainability goal is aligned with global aviation's goal of achieving net zero carbon emissions by 2050.

In November 2022, CEB received the Asia Environmental Sustainability Airline / Airline Group of the Year from the Centre for Asia Pacific Aviation (CAPA) for its leadership in sustainability performance in the regional aviation industry.

#### JGSOC's Solar Rooftop Project (Merbau Corporation)

The JGSOC and Merbau Corp. 13.8-MW Solar Rooftop project commenced the construction of solar rooftop panels on the roofs of the buildings situated within the JGSOC petrochemical complex in August 2022 and will cover the rooftops of nine (9) buildings in total by mid-2023. This project aims to reduce both power consumption and GHG emissions through the use of renewable energy sources. Phase 1 of

the project, with a capacity of 5.8 MW, was completed in December 2022 and has started commissioning for the supply of solar energy to the petrochemical complex. Phase 2, with a capacity of 8.0 MW, will be envisioned for completion in 2023. Overall, the project aims to offset the sourcing of power from the national grid and from in-house diesel generators with renewable energy use.

This project will benefit both JGSOC and URC warehouses and building offices within the JGSOC petrochemical complex. Its estimated energy savings is 17,853,678.54 kWh/year upon its expected completion on April 2023, with the projected GHG emissions reduction of 17,052 tonnes equivalent to carbon emissions annually. This translates to an estimated reduction of 4.1 million liters of fuel consumption per annum.

#### URC's Sustainable Alternative Biofuels

Fueled by its commitment towards Net Zero by 2050, URC launched the Biomass Agile squad in 2022 to conduct a feasibility study on alternative Biofuels for boilers which are eco-friendly, cost efficient, sustainable, and compliant to regulatory requirements.

The primary objectives and key results of this initiative are:

1. To identify at least 3 sustainable types of Biofuels that are cost efficient with sustainable supply
2. To reduce greenhouse gas emissions
3. To generate cost savings through utilization of biomass waste materials as biofuels

At the end of the agile sprint, the squad working on the project successfully conducted plant trials of Palm Kernel Shell in 3 BCF Sites – NURC, Cavite and Canlubang, with intensive monitoring of critical parameters such as kilogram fuel per kilogram of steam produced, and boiler efficiencies.

Stack emission tests were also conducted on the boilers using palm kernel shells and results showed that all parameters such as, Particulate Matter (PM), Sulfur Dioxide (SO<sub>x</sub>), Nitrogen Dioxides (NO<sub>x</sub>), and Carbon Monoxides (CO) have consistently passed. The boiler efficiencies were also observed to have improved compared to using coal as fuel.

Part of the study conducted by the squad was the identification of necessary permits and application process to regulatory bodies in preparation for fuel shifts from coal to biomass.

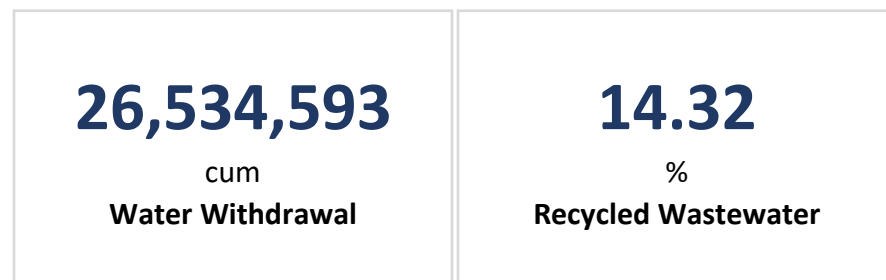
At selected URC BCF PH sites, a series of trials with biomass-powered boilers showed substantial cost avoidance on hauling costs, which amounted to Php 12 million while reducing an estimated 7,700 tonnes of CO2 emissions.

Moving forward, the squad will continue to work on sourcing other potential biomass suppliers locally and internationally to ensure the sustainability of supply while exploring partnerships with the academe, local communities, government agencies for self-sustaining supply and utilization of locally available biomass waste as biofuels.

### Resource Efficiency and Circularity

Given the resource-intensive nature of our businesses, which include food manufacturing, air transport, and petrochemicals, we constantly seek methods to optimize and streamline our operations to reduce consumption of water and materials.

We are committed to continuing our efforts to decrease water consumption and increase the use of recycled wastewater in our operations. For 2022, our water withdrawal decreased by 4.51% as compared to 2021 data, largely a result of URC streamlining its processes and water conservation initiatives.



Implementing efficient solid waste management systems is crucial in mitigating the amount of waste that goes into landfills. Our subsidiaries continue to roll out waste segregation, recycling and reuse efforts of solid waste in their operations. In URC, we reincorporate industrial plastic scrap PET materials into flakes to mix with virgin materials in making new plastic bottles.

**1,981,157**

tonnes

**Renewable Materials**

**3.00**

%

**Recycled Materials**

<b>SBU</b>	<b>Program</b>	<b>Activities</b>	<b>Result and Impact</b>	<b>SDG</b>
RLC	<b>Implementation of proper waste segregation in mall and residential buildings</b>	<ul style="list-style-type: none"><li>• Incorporation of a materials recovery facility (MRF)</li><li>• Proper waste segregation policies</li><li>• Training of personnel for proper recycling practices</li><li>• Implementation of color-coded garbage bins in residential buildings</li><li>• Implementation of properly labeled bins to different areas in our malls.</li><li>• Development of new products out of collected recyclable materials</li></ul>	<ul style="list-style-type: none"><li>• Proper segregation of different types of waste</li><li>• Out of 26,989 tonnes of solid waste for malls and residences, 16% of waste was recycled, and 13% was composted for 2022</li></ul>	SDG 6, 12
JGSOC	<b>Efficient recovery and treatment of waste</b>	<ul style="list-style-type: none"><li>• Oily water treatment system ensuring efficient recovery of oil</li><li>• Recovered oil hauled by / sold to accredited haulers / buyers</li></ul>	<ul style="list-style-type: none"><li>• 6.95% cost reduction in handling, treatment, and disposal of hazardous wastes</li><li>• 83,000 liters of oil recovered and sold to company's accredited buyer</li></ul>	SDG 6

SBU	Program	Activities	Result and Impact	SDG
URC	<b>Water Conservation Programs</b>	<ul style="list-style-type: none"> <li>● Rainwater Harvesting <ul style="list-style-type: none"> <li>▫ Installation of rainwater harvesting units as alternative source of water</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Harvested a total of 261,278 liters of rainwater for basic utility cleaning</li> </ul>	SDG 6
		<ul style="list-style-type: none"> <li>● Reduce, Reuse, Recycle program <ul style="list-style-type: none"> <li>▫ Detecting and correcting the leaks in the pipelines</li> <li>▫ Eliminating wastages from the production</li> <li>▫ Improving the efficiency of our water treatment facilities</li> <li>▫ Various Water Conservation programs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● 6.68 Water Use Ratio in 2022 vs 7.51 in 2021 (11% improvement)</li> </ul>	SDG 6
	<b>Solid Waste Management (Co-processing)</b>	<ul style="list-style-type: none"> <li>● Implemented co-processing of plastic waste in nine (9) plants</li> </ul>	<ul style="list-style-type: none"> <li>● Co-processed 350 tonnes of plastic through the cement plants preventing the use of coal as fuel</li> <li>● Generated savings of Php 500K/yr</li> </ul>	SDG 12
	<b>Juan Goal for Plastic CSR Collection program (GG &amp; Community Based)</b>	<ul style="list-style-type: none"> <li>● Conducted 9 plastic waste collection activations in communities where the company operates</li> <li>● Installed 115 collection hubs in RLC malls, Robinson supermarkets, and easymarts</li> <li>● Php370K in 5 months</li> </ul> <p>(Based only on pilot activation in 5 supermarket/mall branches using pilot Juan Goal for Plastic incentive scheme.)</p>	<ul style="list-style-type: none"> <li>● 13.5 tonnes of plastic waste collected in 2022</li> <li>● 1,484+ Community Volunteers</li> <li>● 311+ Employee Volunteers</li> </ul>	SDG 12



SBU	Program	Activities	Result and Impact	SDG
URC	<b>End-to-End EPR Compliance Strategy:</b> Plastic Collection & Diversion	<ul style="list-style-type: none"> <li>Mobilization of Agile Squads to conduct feasibility studies on holistic collection strategy and sustainable diversion options in compliance with EPR Law</li> </ul>	<ul style="list-style-type: none"> <li>5 agile squads formed</li> <li>5-year EPR compliance strategy roadmap</li> </ul>	SDG 12

#### URC Leads Gokongwei Group<sup>5</sup> Wide Signature Initiative: Juan Goal for Plastic in place

Juan Goal for Plastic is one of the key initiatives of the Gokongwei Group ecosystem: to collect, recover, and divert plastic waste as part of its goal to achieve plastic neutrality, in support of a more environmentally conscious and resilient Philippines.

With URC taking the lead, around 100 committed Gokongwei Group members came together, worked relentlessly using the project management tool called the Agile methodology to come up with a holistic, solid plan towards plastic waste collection and diversion. The Agile approach can be particularly important when working on complex projects like plastic waste recovery and diversion, which require coordination between multiple stakeholders and the development of innovative solutions.

URC leading the collective has piloted this program, leveraging its network of Robinsons Malls, Robinsons Supermarkets, and convenient stores wherein it has installed 115 collection hubs and activated community-based collections in nine partner barangays within the areas where it operates.

A total of 13,500 kgs of various plastics were collected and diverted through this program with an investment of more than Php 370,000 based on pilot activations within 5 months.

#### RLC Residences Promotes Circularity

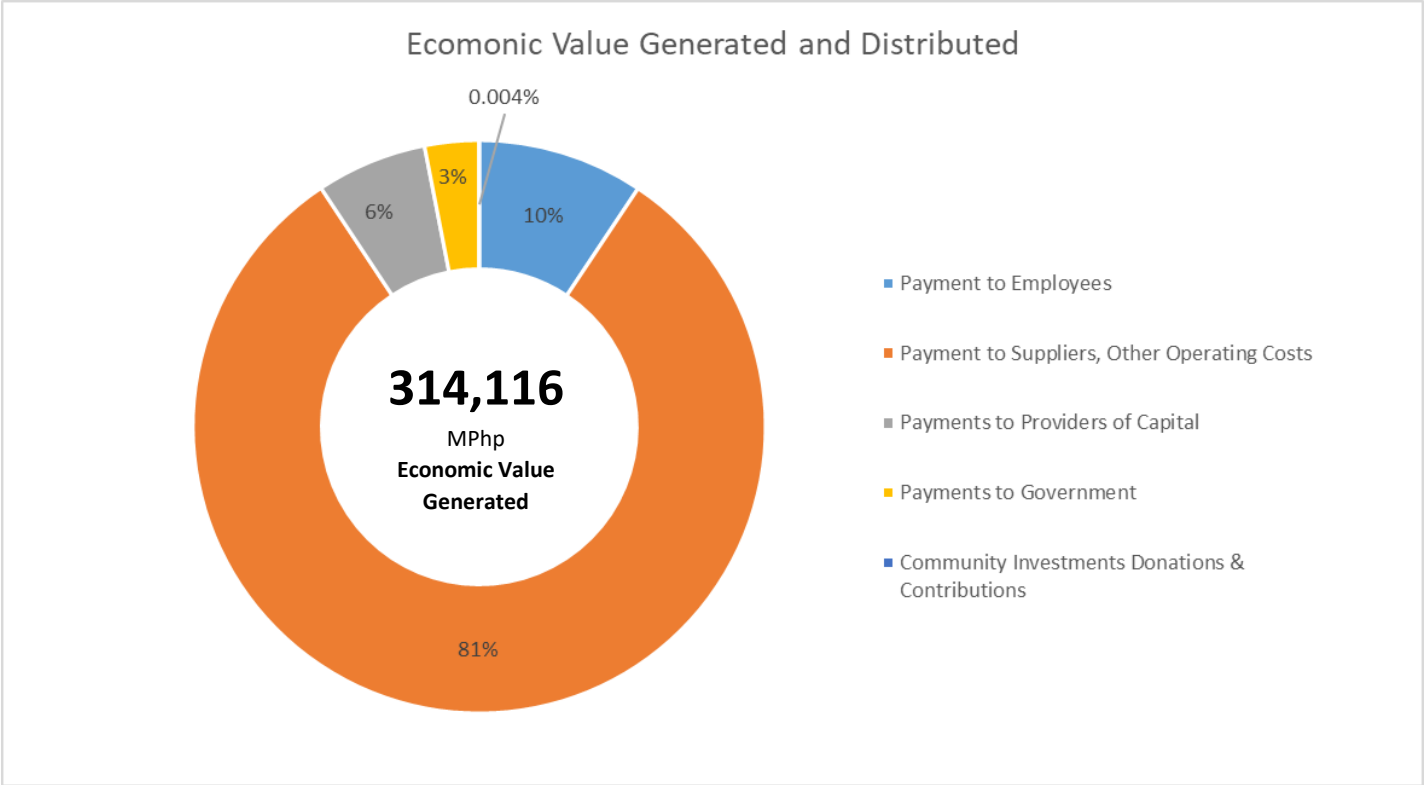
In 2022, RLC Residences partnered with a social enterprise to promote sustainable living and encourage homeowners to become advocates for circularity through a program called the "Minimize Waste, Maximize Space." This program is an innovative and practical approach to reducing waste and decluttering homes, while also promoting a circular living mindset among residents.

<sup>5</sup> Gokongwei Group is not a legal entity but a collective name used for marketing or corporate branding purposes

Since 2021, the program has collected and repurposed items ranging from furniture, garments, appliances, gadgets, books, toys, shoes, plastic & wood scraps etc., from 81 homeowners of our 15 condominium properties in Pasig, Mandaluyong, Taguig, and Manila.

### Shared Success

We ensure the equitable flow of economic value to our key stakeholders. Our Economic Value Distributed to employees, suppliers, government, providers of capital, and communities amounted to Php 317 billion in 2022.



SBU	Program	Activities	Results and Impact	SDG
CEB	<b>Airlift transport services in support of humanitarian efforts and disaster relief</b>	<ul style="list-style-type: none"> <li>• Airlift of covid-19 vaccine across the Philippines</li> <li>• Bayanihan Flights</li> <li>• Typhoon Odette Operations</li> </ul>	<ul style="list-style-type: none"> <li>• Over 21 million doses in 2022 to 31 provinces; more than 81 million doses since 2021</li> <li>• Brought home 385 Filipinos from the Middle East in 2022</li> <li>• Total no. of Filipinos repatriated since 2021 is 11,300</li> <li>• Transported medicines, medical equipment, and food packs</li> <li>• 336 tons of humanitarian and disaster relief across the Philippines</li> <li>• Flown over 2 tonnes of water filters to help in the prevention of dehydration or any water borne disease</li> </ul>	SDG 8, 11
	<b>Social commitment for the welfare of communities</b>	<ul style="list-style-type: none"> <li>• Partnership with Waves for Water for Donation of filter buckets and rain catchment</li> <li>• UNICEF Change for Good collection from passengers amounted to PHP10 million</li> </ul>	<ul style="list-style-type: none"> <li>• Community's access to clean water in Siargao and Iloilo</li> <li>• Funds donated were used by UNICEF to support lifesaving programs for children</li> </ul>	SDG 8
JGSOC	<b>One Million Trees Project</b>	<ul style="list-style-type: none"> <li>• Distributed seedlings of indigenous and fruit bearing trees to local government units and non-government organizations</li> </ul>	<ul style="list-style-type: none"> <li>• 565,298 tree seedlings donated/ distributed from February 2016 to December 2022</li> </ul>	SDG 11

SBU	Program	Activities	Results and Impact	SDG
RLC	Lingkod Pinoy	<ul style="list-style-type: none"> <li>• The Lingkod Pinoy Centers emerged from RLC's objective to support the government in providing essential government services accessible to more Filipinos</li> <li>• Started in 2011, the Lingkod Pinoy Center is now present in 37 RLC Malls nationwide providing every Filipino with easy, safe, and convenient access to government services</li> <li>• This one-stop shop is now a common fixture in RLC Malls at no cost to the government</li> </ul>	<ul style="list-style-type: none"> <li>• Average daily transaction in 2022 is at 5,631 with 84 stand-alone offices and 152 centers nationwide</li> <li>• 84 stand-alone offices - with an average of 20,358 transactions per day</li> <li>• 152 centers - with an average of 25,536 transactions per day</li> <li>• Partner Agencies: <ul style="list-style-type: none"> <li>▫ Social Security System (SSS)</li> <li>▫ Home Development Mutual Fund (Pag-ibig)</li> <li>▫ Professional Regulation Commission (PRC)</li> <li>▫ Philippine Health Insurance Corporation (PhilHealth)</li> <li>▫ Bureau of Immigration (BI) District Offices</li> <li>▫ Department of Foreign Affairs (DFA)</li> <li>▫ Overseas Workers Welfare Administration (OWWA)</li> <li>▫ Quezon City Local Government Unit</li> <li>▫ Bureau of Quarantine (BOQ)</li> <li>▫ Philippine Postal Corporation (PHILPOST)</li> <li>▫ National Bureau of Investigation (NBI)</li> <li>▫ Tourism Infrastructure and Enterprise Zone Authority (TIEZA)</li> <li>▫ Land Transportation Office (LTO)</li> </ul> </li> </ul>	SDG 11

SBU	Program	Activities	Results and Impact	SDG
		<ul style="list-style-type: none"> <li>Robinsons Malls also provided safe spaces for government agencies to administer COVID-19 Vaccinations, Bloodletting, National ID registrations, Saliva RT-PCR testing, Voters' Registration, Passport Renewal, Seminars on safety etc. in select properties nationwide</li> </ul>	<ul style="list-style-type: none"> <li>Philippine Overseas Employment Administration (POEA)</li> <li>Land Registration Authority (LRA)</li> <li>Securities and Exchange Commission (SEC)</li> <li>Department of Trade and Industry (DTI)</li> <li>COVID19 Vaccination – 3,734,852 transactions – 18 malls</li> <li>National ID Registration – 2,095,189 transactions – 30 malls</li> <li>Saliva Testing – 125,014 transactions – 2 malls</li> <li>Passport Renewal Service – 695,222 transactions – 10 malls</li> <li>Bureau of Quarantine (Yellow Card) – 230,036 transactions – 5 malls</li> <li>COMELEC (Voter's Registration) – 3,682 transactions – 7 malls</li> </ul>	
URC	<b>Sustainable Procurement: Revolutionizing One URC Towards Sustainable Supply Chain</b>	<ul style="list-style-type: none"> <li>Drive sustainable procurement within the supply chain of ONE URC with the goal of having 100% of our suppliers disclose their sustainability goals by 2030 in compliance with our Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>1<sup>st</sup> supplier forum and supplier engagement attended by more than 270 suppliers</li> <li>100% roll-out of Sustainability Disclosure Questionnaires</li> <li>100% Cascade of Supplier Code of Conduct</li> </ul>	SDG 8, 9, 11

SBU	Program	Activities	Results and Impact	SDG
		<ul style="list-style-type: none"> <li>Promote sustainable resource use of commodities and strengthen partnership goals with suppliers targeting sustainable sourcing of 100% key ingredients</li> <li>Engage in community development and promote sustainable agriculture method and practices</li> </ul>		
	<b>Flourish Pilipinas 2022: The CEO Initiative</b>	<ul style="list-style-type: none"> <li>The CEO Initiative is one of the many activities under “Flourish Pilipinas,” URC’s program that aims to support the baking industry of the country</li> <li>The competition is part of URC’s efforts to support young Filipino bakers who dream of becoming future CEOs of their own baking businesses</li> <li>During the competition, six finalists made it to the final phase where they presented their business plans to a panel of experienced entrepreneurs</li> </ul>	<ul style="list-style-type: none"> <li>Two grand winners were awarded with start-up online bakery package worth Php 200,000 <ul style="list-style-type: none"> <li>The first and second runners-up were given start-up packages worth Php 100,000 and Php 50,000, respectively</li> <li>All the winners received top-of-the-line baking equipment, high-quality ingredients, and access to the industry network</li> </ul> </li> </ul>	SDG 8, 9, 11

#### Supplier Experience: Winning Partnership for Shared Success

**Supplier Experience (SX) Project** underscores the company’s strategy of becoming the supplier’s partner of choice. It primarily addresses the pain point of paying the suppliers on time. Established to sustain the gains of Project Judith (a play on words for due date), SX has evolved over time with the strengthening of a cross-functional team led by Corporate Procurement implementing the total supplier experience, not just in URC, but also in JGSOC and RLC.

From paying the suppliers on time, the project further scaled-up its scope, covering the total supplier experience in various fronts and key areas such as procurement, delivery, invoicing and payment release. Evident results are seen through the initiation of process improvements, dialogues, and systems deployment, reckoned with the deliberate boost in supplier relationship quality.

Securing a quality and collaborative partnership helps the company manage its supply risks and other external threats. The benefit can be best described as advantageous during the Covid-19 pandemic. The management premised that the sustainable plant production, which relies on the much-needed material and service deliveries, was a gained benefit from SX implementation.

**Shared Success.** The Gokongwei Group (GG) of Companies are known to have brought some of the best products and services in the market, with their longstanding tradition of providing better choices to the general public and its partners. Providing better choices to supplier means rallying behind the support from its financial arm, the RBank. Through data-driven and customer-centric approach, the project introduced Supply Chain Financing for URC Suppliers. A competitive financing package aids the small and medium businesses which regularly avail the program. While this program is currently being offered to URC suppliers, others within the GG ecosystem will soon enjoy the exclusive financing benefits.

Ultimately, SX must pass the judgment of its discriminating suppliers. Therefore, the success in terms of improved satisfaction rating and net promoter score are frequently checked as bases for project ideation. The data reveals an annual increase in the satisfaction rating from 64% to 94% in URC; and 85% to 89% in JGSOC. Consistently, suppliers score the brand with a better number in net promoter score - a measurement that defines brand loyalty - with positive rating of 54 and 38 for URC and JGSOC respectively. For SX, there are still opportunities for better services delivery and collaborative partnership that will define the future state of shared success. And the team is banking on winning more stakeholders to champion its cause.

CEB continues to provide air transport services in support of humanitarian efforts and disaster relief

CEB continued to partner with government agencies and civic organizations and provide air transport services in support of humanitarian efforts and disaster relief.

CEB transported over 21 million doses in 2022. The life-saving vaccines were distributed to 31 provinces, namely: Bacolod, Basilan, Boracay, Bohol, Butuan, Cagayan de Oro, Cauayan, Cebu, Coron, Cotabato, Davao, Dipolog, Dumaguete, General Santos, Iloilo, Jolo, Kalibo, Legazpi, Masbate, Naga, Ozamiz, Pagadian, Puerto Princesa, Roxas, San Jose, Siargao, Tacloban, Tuguegarao, Tawi-Tawi, Virac, and Zamboanga.

In March 2022, CEB brought home 385 Filipinos from Beirut and Kuwait via a charter flight arranged by the Department of Foreign Affairs (DFA) to repatriate distressed overseas Filipino workers (OFWs). In coordination with the Philippine Embassies of Beirut and Kuwait, the chartered CEB flight flew from Beirut and welcomed 119 passengers. It then flew to Kuwait to accept 266 passengers more.

Since 2021, CEB has repatriated more than 11,300 Filipinos from Dubai, Abu Dhabi, Oman, India, Vietnam, Bahrain, Lebanon, and Kuwait through the Bayanihan and DFA charter flights.

CEB also partnered with the Philippine Disaster Resilience Foundation (PDRF) and the Office of Civil Defense to provide special humanitarian flights for 32 medical personnel from Jose B. Lingad Memorial General Hospital and Dr. Jose N. Rodriguez Memorial Hospital and Sanitarium, along with a cargo of assorted medicines and medical equipment from the Department of Health (DOH) to the CARAGA Region via Siargao. This was part of an urgent medical mission to communities affected by Typhoon Odette who were suffering from a stomach flu outbreak due to the lack of potable water in these areas.

To help monitor the number of COVID cases in Eastern Visayas, the World Health Organization (WHO) Philippines dispatched 2,000 rapid antigen test kits to the region, tapping CEB as its logistics partner to transport the test kits to Tacloban City in January 2022. CEB airlifted additional antigen kits for WHO Philippines in February 2022.

#### [RLC's Emergency Relief Operations to the Communities affected by calamities](#)

In times of crises that impact jobs and livelihoods, immediate aid and support make a huge difference in alleviating the plight of disadvantaged populations. This year, RLC actively took part in extending emergency assistance to address the most urgent humanitarian needs in light of natural calamities.

A total of 18 relief operations were organized in coordination with both local and provincial government units. Through our malls, we were able to provide affected communities nationwide with over 8,000 relief packs and emergency assistance in the aftermath of Typhoons Agaton, Karding, Neneng and Paeng and the fire incident that happened at Brgy. Punta Princesa Cebu City.

During calamities, various RLC Malls provide free parking, charging and WiFi stations for stranded individuals.



## RLC Launched Health and Nutritional Initiatives to Help the Most Vulnerable Communities

The COVID19 pandemic emphasized the importance of maintaining good health and nutrition more than ever. As communities slowly recover from the effects of the pandemic, RLC launched several initiatives to provide much needed support and assistance to the most vulnerable communities.

This year, RLC launched 1-school year Feeding Programs for over 100 malnourished students of City Gates Academy Antipolo and Ilugin Elementary School Pasig in partnerships with Giving Hope Foundation and Thrive. This program seeks to fill the nutrition gap and provide “brain power” to the students that results to better attendance and participation in school.

In support of the mental health awareness campaign, Robinsons Valencia, in partnership with Halad to Health, opened a safe space booth that provided free mental health consultations to mall goers. This initiative aims to make mental health support more accessible to the community especially to those who may be dealing with bullying, depression, suicidal thoughts, teen pregnancy, stress and other anxiety & mental health issues.

With the objective of improving the living conditions of indigent pediatric cancer patients of Philippine General Hospital, who take shelter in “Bahay Aruga” in Ermita Manila, RLC, in partnership with Boysen Paint Philippines, conducted a rehabilitation activity through repainting of bedroom walls with fun and colorful designs to provide a better environment to its inhouse patients. This repainting activity was participated by RLC volunteers from Robinsons Hotels & Resorts (RHR).

## RLC Promote Education and Support Child Welfare Development

In recognition of the importance of child welfare development and education, RLC promotes education through provision of needed equipment, supplies and basic materials to support the education of children and youth.

In anticipation for the re-opening of face-to-face classes after the pandemic, RLC through DepEd’s Brigada Eskwela, provided support to chosen schools by donating cleaning & painting materials, sanitation equipment, furniture and school supplies. RLC was able to reach a total of 31 schools nationwide. RLC volunteers also actively participated in the cleaning & painting activities of the school in preparation for the opening of classes.

RLC also supported DepEd’s “*Brigada Pagbasa*”, through donations of learning & reading materials to over 100 Kinder to Grade 3 students of Ilaya Barangka Integrated School, Mandaluyong City. RLC volunteers also shared fun book-reading sessions with the children.

Children were the highlight of Christmas season, as RLC, through RLC Malls, RHR and RHomes launched gift-giving initiatives to various child welfare organizations through partners and local government units. Over 800 children were given some Christmas cheer with the gifts and fun activities.

#### RLC Provide Opportunities and Services on Health and Well-being

RLC is committed to fostering positive change in the areas it serves by offering resources and services related to health and wellbeing. Those living around RLC properties benefit from these offerings, allowing them to access important opportunities for their overall well-being.

To support the government in making essential services accessible to more Filipinos, RLC Malls and RLC Residences provided safe spaces for government agencies to administer COVID-19 Vaccinations, Bloodletting, National ID registrations, Saliva RT-PCR testing, Voters' Registration, Passport Renewal, Seminars on safety etc. in select properties nationwide.

RLC presence in several communities makes it a strategic hub for transport connectivity. By providing terminal spaces for public utility vehicles, the malls improve accessibility to several destinations for commuters. RLC Malls host a variety of transport services: from P2P buss, UV Express Services and vans, electric and regular jeepneys and tricycles. Some of the Malls also provide loading bays to ensure a safe and systematic way for commuters to board and alight from public transport vehicles. In total, 54,823 sqm of space in RLC Malls were allotted for public transport terminals nationwide.

RLC Malls rolled out "Locally Sourced" in select malls nationwide to support the businesses of micro, medium and small enterprises. Executed in partnership with the Department of Agriculture and other related agencies, the program helped showcase the different agricultural products of local farmers/entrepreneurs.

RLC launched the Entrep Corner Exhibit in partnership with Trinity University of Asia where over 200 college and senior high school students taking up business-related courses & subjects showcased their original food & non-food products. This activity provided actual retail experience to the students with the aim of honing their entrepreneurial skills in a real business environment.

## Sustainable Procurement: Revolutionizing One URC Towards Sustainable Supply Chain

In 2022, URC launched the Sustainable Procurement Program with the vision of leading the transformation towards a Sustainable Supply Chain.

The program aims to:

1. Drive sustainable procurement within the supply chain of ONE URC with the goal of having 100% of our Suppliers disclose their sustainability goals by 2030 in compliance with our Supplier Code of Conduct
2. Promote sustainable resource use of commodities and strengthen partnership goals with suppliers targeting sustainable sourcing of 100% key ingredients
3. Engage in community development and promote sustainable agriculture method and practices.

The principle of Sustainable Procurement revolves around 7 core subjects: organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues and community involvement and development. URC started the program by performing internal gap assessment on compliance with these 7 Core Subjects of Sustainable Procurement while doing peer reviews and Benchmark Analysis. We then created our set of sustainability disclosure questionnaires based on these and rolled out the questionnaires together with the cascade of the Supplier code of conduct during our 1<sup>st</sup> ever virtual supplier engagement session last August 5, 2022, which was attended by more than 270 suppliers. During this session, we have also presented our key focus areas and priorities highlighting the role of suppliers as partners towards achieving our targets especially in Climate Action and Sourcing.

In November, we conducted a follow-through supplier engagement session with the same audience as part of the company's Sustainability Month Celebration. We also invited suppliers such as Kerry, Givaudan, and Cargill to share their company's best practices related to Climate Action and Responsible Sourcing. Other experts talked about the basics of Net Zero Target and GHG emissions to equip the audience with basic knowledge and information in their GHG emissions calculations and how they can also start their climate action journey. Internal experts also presented the current energy efficiency and carbon reduction programs and initiatives in the company and the sourcing initiatives and roadmaps.

Lastly, the session ended with discussions of concrete next steps on how we move forward as a company together with our suppliers.

## RBank launches the “Future is Bright Program” to Support Education

RBank celebrates its 25th anniversary by giving back to the community and by supporting education through a partnership with the Gokongwei Brothers Foundation (GBF).

In the “transact-and-donate” campaign, for every qualified transaction made using the Bank’s digital banking app, RDX, RBank donated fifty centavos (₱0.50) to the education fund of the GBF scholars. These RDX transactions include payment of bills, fund transfers, and remittances. The program ran from November 1, 2021, to October 31, 2022. RBank raised PHP 320,000.00 and the fund was donated during RBank’s 25th Anniversary celebration last November 25, 2022.

RBank is proud of this campaign because it allowed RDX as a platform opportunity for its customers to contribute to the education of Filipinos. At the same time, it promoted more digital transactions in support of the BSP’s objective to achieve a cashless society.

## RBank partners with Premiumbikes to Support Financial Inclusion

RBank rolled out its agency banking called RBankMo which allows agents to perform outsourced banking services such as balance inquiry, cash-in/out, bills payment, account opening, and remittance. There are more than 220 cash agents nationwide as of end-2022.

RBank formed a partnership with Premiumbikes Corporation (PBC), one of the country's top motorcycle dealership chains, to provide financial services to customers in rural communities with limited access to banking services.

There are now more than 200 PBC branches nationwide servicing as RBankMo outlets where customers can access various financial services. As of 2022, more than 2000 accounts were opened via PBC branches, and the total transaction value already reached P62.0 million in 2022

The success of the RBankMo and PBC partnership highlights the value of collaboration to promote financial inclusion and digital banking as a service in underserved areas. Leveraging PBC's extensive network and customer base, RBankMo was able to reach a wider market, especially in areas that lack financial services.

## Employee Growth and Well Being

Our top priority has always been to provide a healthy and supportive work environment for our employees. As of 2022, we continue to roll out training opportunities for our employees with 16.93 training hours per employee.

Together with the strategic business units, we have established the Safety Council, whose membership expands across all SBU safety professionals. To enhance the safety council's knowledge & capabilities, learning sessions on occupational safety and health were conducted, and will continue to be conducted to sustain the program. Safety audits commenced this year to assess the performance of the SBU readiness on compliance to regulatory requirements and the implementation of safety programs. In addition, an annual safety rewards program was initiated, which we call SMile awards or Safety Milestone Awards to encourage the other business units to enhance or create programs to minimize or eliminate incidents in the workplace. These are controls that will help us create a safety culture and thereby prevent work related incidents.



## Employee Development Programs

SBU	Program	Activities	Results and Impact	SDG
JGSOC	<b>Enhancing Leadership and Development Program</b>	<ul style="list-style-type: none"> <li>Continued strong partnerships with universities and with DOLE's Public Employment Services Office (PESO) and resumed onsite participation at school fairs</li> <li>Leadership Program for frontline leaders and Accelerate Program for High-Potentials</li> </ul>	<ul style="list-style-type: none"> <li>Career pathway design for Technician Track in Manufacturing and implemented Technician certifications</li> <li>Trainings concluded for supervisors on Foundations of Leadership (FOL), and on</li> </ul>	SDG 8

SBU	Program	Activities	Results and Impact	SDG
		<ul style="list-style-type: none"> <li>JGSOC GROW Program for establishing lattice career pathways, which aims to provide more opportunities for development, by providing lateral movements, in addition to upward promotions</li> </ul>	<p>Accelerate program for high potentials</p> <ul style="list-style-type: none"> <li>Calibration of high potentials across departments/divisions</li> <li>Agile team of GROW Program at 47% project completion for pilot groups and will continue to 2023.</li> <li>Long term project impact targets year-on-year improvement in Engagement particularly on Growth and Development dimension</li> </ul>	
<b>CEB</b>	<b>Employee Health Support Program</b>	<ul style="list-style-type: none"> <li>Partnering with health maintenance organizations to reiterate the importance of health and wellness, and encourage employees to live a healthy lifestyle</li> <li>Health and wellness partners conducted free medical and psychological consultations and other activities</li> <li>Health fair for employees on mental health and women's health month</li> </ul>	<ul style="list-style-type: none"> <li>7,186 employees availed CEB Clinic Telecare</li> <li>247 employees and 20 dependents availed Maxicare Teleconsult</li> <li>66 employees, 38 flight crews and 7 Dependents availed Mindcare Club psychological consultation</li> <li>13,793 employees and 15 dependents availed Covid-19 testing</li> <li>850 employees availed Covid-19 care kits</li> <li>26,077 HMO availments</li> <li>833 employees availed onsite flu vaccination</li> <li>610 employees availed onsite annual physical examination</li> </ul>	SDG 3, 8
<b>URC</b>	<b>Create a safe space for employees' psychological well-being</b>	<ul style="list-style-type: none"> <li>Kamusta Ka-URC Employee Assistance Program (EAP)</li> </ul>	<ul style="list-style-type: none"> <li>To raise awareness, prevent stigma and discrimination in the workplace;</li> </ul>	SDG 3

SBU	Program	Activities	Results and Impact	SDG
		<ul style="list-style-type: none"> <li>In relation to the approved policy on Mental Health and Wellness in the Workplace, the organization continues to roll out activities that aim to promote employees' well-being towards healthy and productive lives by providing support whenever needed through affiliation with PowerVision Inc.</li> </ul>	<ul style="list-style-type: none"> <li>To provide support to employees who are identified to be at risk;</li> <li>To facilitate access to medical health services; and</li> <li>To promote employees' well-being towards healthy and productive lives</li> </ul>	
	<b>Continuously support the marketing needs of URVoice</b>	<ul style="list-style-type: none"> <li>Support the needed marketing collaterals for URVoice, the digital platform for employees and stakeholders to freely share their observations and/or concerns</li> </ul>	<ul style="list-style-type: none"> <li>Fully maximization of the platform for concerns</li> <li>Efficient turnaround time (TAT) for received concerns</li> </ul>	SDG 3
	<b>Resumption of F2F Engagement activities</b>	<ul style="list-style-type: none"> <li>As the pandemic cases continue to slow down, we plan to resume the rollout of F2F engagement activities to further boost the engagement and morale of our employees</li> <li>100% roll out of major engagement activities (e.g. family day, sports fest, town halls, Christmas party, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>4 out of 5 average CSAT scores on all engagement activities</li> <li>Increase in overall engagement score for URC</li> </ul>	SDG 3
	<b>Build and Strengthen Agile Capability</b>	<ul style="list-style-type: none"> <li>Agile Onboarding and Bootcamp</li> <li>Agile Basics Microlearning courses</li> <li>Agile in Sprint</li> <li>These programs are designed and customized to equip our employees with an in-depth understanding of Enterprise Agile, its key elements and what the transition journey looks like for the organization</li> </ul>	<ul style="list-style-type: none"> <li>24.60 hours per employee, covering Agile Onboarding and Bootcamp, Agile Basics Microlearning courses, and Agile in Sprint,</li> <li>Average feedback score of 4.50 out of 5.00</li> </ul>	SDG 4

SBU	Program	Activities	Results and Impact	SDG
	<p><b>Build and Support Global Leadership Capabilities of Next Generation Leaders</b></p>	<ul style="list-style-type: none"> <li>• <b>URC Regional Conference</b> - A customized, immersive, and experiential program designed for the Extended Leadership Team (ELT), with a mix of thought leadership sessions, industry thematic discussions, company and site learning expeditions, and workshops</li>   <li>• <b>Leadership Excellence and Advancement Development (LEAD)</b> - A 5-month journey designed for the middle managers, that offers a holistic view of who they are and what they can become- as “individuals”, as “leaders of teams”, and as “business leaders” anchored on leadership and commercial competencies. Modules are identified based on the specific needs of the target participants</li> </ul>	<ul style="list-style-type: none"> <li>• 3,360 training hours or 84 hours per employee, across 40 executives, regional leaders, and country heads</li> <li>• URC Regional Conference got an average feedback score of 4.54 out of 5.00</li>   <li>• Four Essential Roles of Leadership covering 36 leaders from the Head Office and BCF</li> <li>• Manufacturing Plants. This batch contributed a total of 864 training hours or 24 hours per employee, with an average feedback score of 4.49 out of 5.00</li> <li>• A heterogenous class was also launched covering leaders from Marketing, Sales, Global Innovations, Manufacturing, Supply Chain, Corporate Engineering, Joint Ventures, URC-SURE, URC Myanmar, and URC Vietnam. This batch contributed a total of 769.17 training hours or 30.77 hours per employee through its first two (2) modules: Four Essential Roles of Leadership and Essential Skills for Change, with an average feedback score of 4.60 out of 5.00</li> </ul>	SDG 4



SBU	Program	Activities	Results and Impact	SDG
		<ul style="list-style-type: none"> <li>• <b>Leadership Enrichment and Advancement Program (LEAP)</b> - A development program designed for Frontline Managers that focuses on basic management skills, better conversations, and team development. Modules are identified based on the specific needs of the target participants</li> </ul>	<ul style="list-style-type: none"> <li>• Agro-Industrial Group (AIG) had their pilot batch of LEAP covering the Trade Marketing Supervisors and Veterinarians</li> <li>• This batch contributed a total of 648 training hours or 24 hours per employee through its 3 modules: Your Leadership Journey, Communicating for Leadership Success, and Coaching for Peak</li> </ul>	
	<p><b>Build and Sustain Digital Learning Channel through URLearning</b></p>	<p>URLearning's 3-Year Enhancement Roadmap</p> <ul style="list-style-type: none"> <li>• URLearning Single Sign On (SSO) Activation: Through the Single Sign On activation, URLearning users from URC PH as our pilot group can easily access their accounts while being logged in to their Microsoft O365 Accounts on any device, anytime, anywhere. Login using username and password is still available</li> <li>• URLearning Instructors Training: A Training Program for URLearning Instructors on how to utilize the features of Matrix LMS (e.g. Course creation, Attendance monitoring, Class management, Gamification, Report generation, Module management, Learner enrollment and management, Assessments, and Scores)</li> <li>• Learners' Data Cleansing based on SAP HCM report: Process of identifying and</li> </ul>	<ul style="list-style-type: none"> <li>• 600 modules available in the platform</li> <li>• As we continue to offer mandatory and functional learning courses through the online platform, we have seen a significant increase in the number of new accounts created as of December 2022 at 132% versus new users created in 2021 (Total of 2,392 new users in 2022)</li> <li>• The number of new users per month depends on the number of new hires and new account requests</li> <li>• Utilization Rate as of December 2022 is 148.10% versus target or a total of 2,962 learners, who have accessed the platform. Current target at 80% is based on the overall active unique users</li> </ul>	SDG 4

SBU	Program	Activities	Results and Impact	SDG
		<p>correcting inaccuracies within a data set. Those inaccuracies could be anything and everything, including missing, redundant, incorrect, or duplicate information. Data cleansing, which is conducted by the LMS Admin every month, supports data quality</p> <ul style="list-style-type: none"> <li>• SCORM modules via iSpring: SCORM stands for Shareable Content Object Reference Model. It is a set of rules that allows us to pack the digital content that we want to be part of our course and display it in the correct order on the learning platform. Last November 2022, we subscribed with iSpring Suite, which is a PowerPoint-based authoring toolkit produced by iSpring Solutions that allows users to create slide-based courses, quizzes, dialog simulations, screencasts, video lectures, and other interactive learning materials. Currently, we are using the said tool in making our Agile Basics micro-learning courses in different languages (Thai, Burmese, Vietnamese, and Bahasa)</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement on metric is seen by setting the target utilization per month, which can be increased through: <ul style="list-style-type: none"> <li>(1) Functional academies which will offer technical courses to build functional capabilities, and</li> <li>(2) Roll out of Competency Assessment and Individual Development Plan via Darwinbox and manual forms. Top 3 most accessed courses (Mandatory Courses, Onboarding Courses, and Basic GMP course)</li> </ul> </li> </ul>	
	<b>Reinforced SAFETY</b>	<p><b>Focusing and reinforcing three key areas to embed a safety culture:</b></p> <ul style="list-style-type: none"> <li>• Awareness</li> <li>• Ownership</li> <li>• Accountability</li> </ul>	<ul style="list-style-type: none"> <li>• Through the reinforcement of the implementation of this integral program implemented across One URC</li> </ul>	SDG 4

SBU	Program	Activities	Results and Impact	SDG
		<p><b>Programs on increasing the level of Awareness:</b></p> <ul style="list-style-type: none"> <li>• Safety Maps indicating the risks and hazards in the area developed by the Process Owners</li> <li>• Project S4K (Salin ng Kaalaman sa Kaligtasan, Kalusugan at Kapaligiran) is a condensed version of training on Operation Control Programs (OCP) targeting managers and supervisors</li> <li>• Project OWLS (OCP Webinar Learning Session) is a focused refresher or learning sessions of OCPs based from critical accidents from the prior year</li> <li>• Project LTSE (Life Training in Safety Excellence) is an OCP training workshop designed for startup safety and environment, health &amp; safety system</li> <li>• Project ICE (Information, Communication and Education) is a program designed to disseminate infographics or digests on selected topics of Environment, Health &amp; Safety (EHS)</li> </ul> <p><b>Programs on promoting Ownership:</b></p> <ul style="list-style-type: none"> <li>• Ensuring that all sites have a dedicated EHS Officer to oversee and implement safety programs</li> <li>• Reinforcing behavior-based safety observation and coaching to effect behavioral change in the way our employees look safety --that it should be a Way of Life</li> </ul>	<ul style="list-style-type: none"> <li>• Total work-related injuries decreased from 320 in 2021 to 304 in 2022</li> </ul>	

SBU	Program	Activities	Results and Impact	SDG
		<ul style="list-style-type: none"> <li>• Basic Equipment Care (BEC) Red and Blue Tagging is a method to correct unsafe conditions wherein if the tag of an equipment is blue, it means that it can be fixed by an operator while if the tag is red, it should be fixed by maintenance</li> </ul> <p><b>Programs on Strengthening Accountability</b></p> <ul style="list-style-type: none"> <li>• Offenses Subject for Disciplinary action (OSDA) Implementing Rules and Regulation (IRR) is a program to establish the implementing guidelines for enforcement of Code of Discipline related to Safety Offenses Subject for Disciplinary action for all regular employees. It aims to contain simplified and more specific safety offenses</li> <li>• Strengthening and enhancing partnership with Third Party Management Service providers to reinforce accountability on implementation of safety programs for third-party employees</li> <li>• Safety Rewards and Recognitions</li> </ul>		

Sustainability Track in our Executive Development Program in 2022

Since Sustainability is a key enabler of our business, we understand that society including the environment we live in are constantly evolving and as a purpose-driven company, it is our responsibility to evolve along with it.

In 2022, our Executive Development Program implemented 2 Leadership Training programs to help them deeply understand the importance of addressing the broader societal impacts of our actions, which are featured below:

### **Sustainability Masterclass for CEO's and Senior Executives**

Conducted by a leading international business school, the Sustainability Masterclass was designed to challenge our leaders on how to steer our companies towards achieving our next level of success – where the sustainability of our business and our financial success is anchored on our contributions to enabling a healthier and better world for our next generations.

ESG is about measuring sustainability performance from (E)nvironmental, (S)ocial, and (G)overnance perspectives and linking it to the financial performance of the firm. This is the running thread throughout the three sessions for the CEO Masterclass:

- 1st session on Business Case for Sustainability and Leadership in the Age of Sustainability Focuses on understanding how resource externalities in a competitive world link responsible business to the financial position and operational capabilities of JG Summit and deep dive into consumer and regulator perspectives around responsible business.
- 2nd session Sustainability, Climate Change & Finance Focuses on the link between sustainability, climate change and financial institutions as providers of capital and explore the role of data and disclosure, sustainable (or green) investing and financing, and carbon markets.
- 3rd session is on Circular Strategy Focuses on the link between sustainability, climate change and financial institutions as providers of capital and explore the role of data and disclosure, sustainable (or green) investing and financing, and carbon markets.
- 4th session - Governance and Sustainability Defining the notion of organizational sustainability from a governance perspective and using Fair Process Leadership (FPL) framework.

### **Climate Leadership Series for Senior Leaders**

Responsible leadership involves integration of climate action in business strategies and decisions. This was the backbone of the Climate Leadership Series which was rolled out in 2022 as part of JGSHI's Executive Development Program. Through this series, the company is taking a proactive approach in driving a culture of responsibility and accountability for climate adaptation and mitigation efforts among its leaders.

The Climate Leadership series helped our senior leaders further understand our main steps to deliver climate adaptation and mitigation efforts and how to develop internal business cases. At least 45 executives from the following functions attended the series: Corporate Strategy, Investor Relations, Corporate Finance, Operations Heads and Sustainability. At the end of the series, our leaders are able to assess and prioritize their climate related projects and align them to overall business strategy and financial objectives as well as their sustainability goals.

Pride in Performance Awards Recognizes Excellence within JGSHI

On its 12th year, JGSHI's Pride in Performance highlights the exemplary efforts and initiatives by employees to fulfill the group's purpose – an unrelenting commitment to provide customers with better choices, creating shared success with stakeholders.

### **Business Outperformance**

Guided by an entrepreneurial mindset, these awards recognize how we strive for growth and business unit success achieved over a year based on measurable criteria, such as profit growth, market share, etc.

**1st Place:** Universal Robina Corporation SURE (Sugar and Renewables)

**2nd Place:** Robinsons Land Corporation Office Buildings Division

**3rd Place:** Robinsons Bank

Rising Star

RRHI – Rose Pharmacy

Robinsons Land Corporation Industrial and Integrated Developments

URC Packaging Group (BOPP & UFLEX)

### **Customer-centric Culture (Internal and External)**

This award recognizes best-in-class products, services, and processes that accomplish our purpose by exhibiting unrelenting commitment to providing our customers with better choices and creating shared success with our stakeholders. This includes adapting to customer needs in line with the pandemic.

## **External**

**1st Place:** Cebu Pacific – CEB Super Pass

**2nd Place:** Corporate Center Units & URC BCF – Business Data-driven Actions for Improving Supplier Experience (B-DA Suppliers or Suppliers ang Bida)

**3rd Place:** RRHI Rose Pharmacy – Welcome Back Rose Pharmacy: Recovery by Refocusing on Customer Needs

## **Internal**

**1st Place:** RRHI Robinsons Supermarket – Automated Cash Management Solutions - Retail Systems

**2nd Place:** Robinsons Retail Holdings, Inc. – Electronic Approval for Request for Payments (RFP) for Non-Trade Transactions

**3rd Place:** Universal Robina Corporation – Agile Team: Back-Office Optimization for Sales Team (BOOST)

## **Digital Transformation**

This award recognizes initiatives that future-proof a digital, data-driven, and agile organization. They maximize productivity via digitalization of the core, building digital capabilities, adapting through digital interventions, and pursuing business opportunities using technology and data.

**1st Place:** Data Analytics Ventures, Inc. – Launch of Go Rewards App an all-in-one lifestyle rewards app

**2nd Place:** Cebu Pacific – Refunds Reengineering

**3rd Place:** Robinsons Land Corporation – RLC Malls is Future-Proofing the Malling Experience through Digital Services

## **People Focus**

This award recognizes initiatives that strengthen organizational effectiveness and take care of our people in changing times by engaging, enabling, exciting, and evolving Leaders and Talents to support business strategies, drive productivity, and maintain industrial peace, among others.

**1st Place:** Universal Robina Corporation – Human Resources, Agile Transformation Office

**2nd Place:** Corporate Center Units – Creating a Culture of Learning, Growth and Psychological Safety

**3rd Place:** Cebu Pacific – Celebrating Every Hue: Equity, Diversity and Inclusion

## **Purpose & Sustainability**

This award, anchored on our purpose to create shared success with all of our stakeholders, recognizes initiatives that responsibly and sustainably utilize our resources. These exhibit stewardship and care for the environment and the people in the communities where we operate.

**1st Place:** Universal Robina Corporation – Improving Resource Utilization: Ingredients for A Healthy Planet and Sustainable Business

**2nd Place:** Cebu Pacific – Neo Way to Fly

**3rd Place:** Robinsons Bank – Building Bais: Equipping Planters Thru Access to Financial Services

## URC's Put People First

URC is a firm believer that the employees are the core foundation of the company. Anchored to our values of Putting People First, the company is committed to ensure a safe and healthy environment for all our employees in our day-to-day operations. The company recognizes that embedding a safety culture is vital in achieving zero accident in the workplace. It is also important that the people are protected from workplace hazards and promote their well-being through the implementation of URC's five (5) core occupational health and safety programs.

### 1. Juan Life Saving Rules (LSR) 2.0

To strengthen safety awareness through visual management, Juan Life Saving Rules or LSR was updated in 2021 and featured additional focus areas. These focus areas pertain to work permitting systems, management of hazardous chemicals, and machine safety. Dubbed as LSR 2.0, the revitalized set of Life Saving Rules was aligned to the current situation in URC's different plants. Each rule was aligned with global standards, local legislation, and company safety procedures to ensure the protection of our workforce in their regular field duties.

### 2. Behavior-Based Safety (BBS) 2.0

Through BBS observation and coaching, the program targets to effect behavioral change in the way our workers look safety --that it should be a Way of Life

### 3. Quick Risk Prediction

Aims to conduct pro-active and timely risk assessment for non-routine and unplanned activities and install the necessary control measures. This activity will prevent potential incidents resulting from unplanned machine troubleshooting' and repair.



#### 4. Near Miss Reporting

Near miss is sometimes referred to as "close call" or "near hit" and it signals a system weakness that if not corrected would lead to a significant consequence in the future. Through near miss reporting, deficiencies can be corrected thus preventing any accidents in the future.

#### 5. Project TLC (Training, Leading, and Coaching)

Another company initiative that provides various training for employees, empowering our EHS Leaders on operational control programs as well as equipping them with the requirements needed for the certification from PCOs, Safety Officers, and Radiation Protection Safety Officers. In Project TLC, internal webinar trainings were conducted relevant to safety, such as confined space entry, material handling safety, work permitting systems, among others.

In 2022, the implementation of these core programs was reinforced with the addition of key initiatives targeted to increase the level of awareness, promoting ownership, and improving accountability through the Reinforced Safety Campaign. Through the implementation of this program, it addressed all the safety issues encountered in the past year and slowly supports the building of a culture of safety excellence in the workplace.

#### **Programs on increasing the level of Awareness:**

- Safety Maps indicating the risks and hazards in the area were developed by the Process Owners that would also guide new hires on the risks and hazards associated with their areas of assignment
- Project S4K (Salin ng Kaalaman sa Kaligtasan, Kalusugan at Kapaligiran) is a condensed version of training on Operation Control Programs (OCP) targeting managers and supervisors
- Project OWLS (OCP Webinar Learning Session) is focused on the conduct of refresher or learning sessions of OCPs based from critical accidents from the prior year
- Project LTSE (Life Training in Safety Excellence) is an OCP training workshop designed for startup safety and environment, health & safety system
- Project ICE (Information, Communication and Education) is a program designed to disseminate infographics or digests on selected topics of Environment, Health & Safety (EHS)

### Programs on promoting Ownership:

- Ensured all sites have a dedicated EHS Officer to oversee and implement safety programs
- Reinforced Behavior-based Safety observation and coaching to effect behavioral change in the way our employees look safety -- that it should be a Way of Life
- Implemented Basic Equipment Care (BEC) Red and Blue Tagging which is a method to correct unsafe conditions wherein if the tag of an equipment is blue, it means that it can be fixed by an operator while if the tag is red, it should be fixed by maintenance

### Better Choices

JGSHI places great importance on the trust and loyalty of our customers. We are committed to nurturing this relationship by ensuring the continued provision of safe, high-quality, affordable, and accessible products and services. Our dedication to maintaining rigorous standards in these areas is an integral part of our brand identity.

As we focus on customer-centricity, we recognize the importance of understanding and meeting customer needs to achieve better choices. Streamlining processes, investing in digital systems, and optimizing synergies across the group are all important steps in achieving this goal. We aspire that everyone in the organization is aligned around the goal of putting the customer first and is working together to achieve it. By doing so, JGSHI can create a culture that values customer satisfaction and is committed to meeting customer needs.

Aside from being customer-centric, customer health and safety, marketing and labelling, and customer privacy are valued by the business units. Due to the specificity of concerns on product and service delivery of each JGSHI's business unit, the subsidiaries define, manage, and evaluate their own communication channels to capture customer concerns; process and resolve customer complaints by feeding these into their corporate decision making; and engage more closely its most important stakeholders to develop and improve their products and services.

SBU	Program	Activities	Results and Impact	SDG
RLC	<b>Investing in green buildings</b>	<ul style="list-style-type: none"><li>• Additional investment in Giga Tower and Cyberscape Gamma to meet international green building standards</li></ul>	<ul style="list-style-type: none"><li>• LEED Gold Certification for Giga Tower (January 2022)</li><li>• EDGE Certification for Cyberscape Gamma (October 2022)</li></ul>	SDG 12

SBU	Program	Activities	Results and Impact	SDG
		<ul style="list-style-type: none"> <li>Green Certification for all new Metro Manila building</li> </ul>		
CEB	<b>Providing affordable and accessible flight options</b>	<ul style="list-style-type: none"> <li>Reopening of routes and addition of new routes</li> <li>CEB ended 2022 with 57 routes to 33 destinations in the domestic market</li> <li>For the international market, CEB ended with 22 routes to 19 destinations in 12 countries</li> </ul>	<ul style="list-style-type: none"> <li>Over 108,000 flights and over 14.8 million passengers flown</li> </ul>	SDG 8
	<b>More convenient passenger journey through digitalization</b>	<ul style="list-style-type: none"> <li>Launch of new Manage Booking that allows CEB customers to manage their flights (rebooking, refund, buying add-ons)</li> <li>Improved chatbot experience by enhancing the conversations and topics that Charlie the chatbox can answer so customers do not have to wait for an agent</li> <li>More flexible Travel Fund redemption</li> <li>Better agent-assisted service</li> </ul>	<ul style="list-style-type: none"> <li>83% of all bookings that were rebooked and updated were done using digital channels</li> <li>70% of questions and concerns from guests were answered by the chatbot</li> <li>CEB provided more flexible options for the Travel Fund, such as transferring the fund to other passengers and using the fund at the airport for payment of fees</li> <li>94% of travel fund redemptions were done using the MyCebuPacific account, which allows guests to use the fund for themselves or for other people</li> <li>Increased the number of agents who can answer queries via live chat, substantially</li> </ul>	SDG 8

SBU	Program	Activities	Results and Impact	SDG
			<p>decreasing waiting time for customers from 77 minutes down to 2.5 minutes</p> <ul style="list-style-type: none"> <li>• Chat Customer Satisfaction Score from 2.8 out of 5.0 to 3.2 out of 5.0</li> <li>• Answered chat rate increased from 10% to 92%</li> </ul>	
JGSOC	Innovative petrochemical products and solutions	<ul style="list-style-type: none"> <li>• Investment in advanced bimodal and metallocene technology</li> <li>• New polymers R&amp;D laboratory</li> <li>• Creation of new business development model for premium products</li> </ul>	<ul style="list-style-type: none"> <li>• Improved product portfolio with EVALENE PLUS®: <ul style="list-style-type: none"> <li>- Bimodal Film</li> <li>- Metallocene Film</li> <li>- PE 100 Pipe</li> <li>- Caps for Carbonated Soft Drinks (CSD)</li> </ul> </li> <li>• New EVALENE PLUS products to enable customers to achieve sustainability goals <ul style="list-style-type: none"> <li>- Increased incorporation of recycles</li> <li>- Reduced raw material use through downgauging/ light-weighting through thinner films and pipes, lighter caps</li> </ul> </li> </ul>	SDG 12
URC	URC Wellness Criteria	<ul style="list-style-type: none"> <li>• At the end of 2022, we have in our product portfolio a significant number of products well within most of the Risk Reduction Criteria Thresholds.</li> <li>• As we progress significantly against the Risk Reduction Criteria, we also continue to release new products that enhance wellness.</li> <li>• This year includes functional beverages that helps improve immunity and a calorie-nutrient dense biscuit.</li> </ul>	<p>Total URC Wellness Score for 2022 using updated criteria showed</p> <ul style="list-style-type: none"> <li>• 100% of products passed 1 URC Wellness Criteria,</li> <li>• 98% passed 2 URC Wellness Criteria,</li> <li>• 90% passed 3 URC Wellness Criteria,</li> <li>• 41% passed 4 URC Wellness Criteria</li> </ul>	SDG 2

SBU	Program	Activities	Results and Impact	SDG
	Food Safety System Certification (FSSC) Certification	<ul style="list-style-type: none"> <li>One GMP and URCore Integrated Quality and Food Safety Management Systems were designed, developed, and employed</li> <li>The Quality Assurance team also verifies the compliance of Supply Chain, Manufacturing, and Distribution facilities through a robust internal audit program that encompasses a risk-based and continual improvement approach</li> </ul>	<ul style="list-style-type: none"> <li>100% sustained Quality and Food Safety Certifications</li> </ul>	SDG 2

#### Robinsons Land's Giga Tower Turns Gold

RLC's 29-storey premium-grade office building in Quezon City, Giga Tower, was awarded a Leadership in Energy and Environment Design (LEED) Gold certification in 2022, for how the building contributed to sustainability through its construction and design. Giga Tower's covered parking area as well as all of its paving and rooftops comply with the Solar Reflectance Index meaning the structure can reflect solar energy enough to maximize solar power.

Other than having multiple energy-saving features, Giga Tower also makes use of non-CFC refrigerant (R-410A) to reduce stratospheric ozone depletion. By using renewable energy, this RLC property increased the overall GHG emissions per square meter of all RLC properties by a huge margin. Following this, three (3) more buildings have been LEED certified while two (2) more received a similar certification called Excellence in Design for Greater Efficiencies (EDGE) certification since 2016. These certifications show that RLC, not only focuses on its activities and projects for sustainability, but also invests on the designs of its infrastructure. The next steps for this initiative are to certify four (4) more buildings this 2023 and another two (2) in the following years.

#### Cyberscape Gamma Is PH's first EDGE-certified REIT Building

The Robinsons Cyberscape Gamma building, owned by RL Commercial REIT, has received the EDGE certification from the Philippine Green Building Initiative (PBGI), making it the first certified REIT building in the Philippines. The EDGE certification system is an international

green building certification system that focuses on energy, water, and embodied energy in materials for a quantitative approach to sustainability.

The EDGE certificate awarded to Cyberscape Gamma indicates that it has successfully reduced energy consumption through various measures, such as the use of high-performance glass, fresh air pre-conditioning system, efficient lighting, and power factor correction. The building has also implemented water-saving measures, including the installation of water-efficient faucets and urinals and a rainwater harvesting system.

In addition to the EDGE certification, RLC Offices has committed to harnessing clean and renewable energy for all its current and future office projects, in line with its goal of shifting power requirements to RE sources by 2035.

#### URC Updates its Wellness Criteria

In 2021, the URC Wellness Criteria was revised to make it applicable for all countries we operate in. It was revised using the World Health Organization's (WHO) guidelines and the nutritional/ health data of ASEAN population. The criteria also reflected the range of the categories we operate in; and the context that our portfolio is a part of the overall diet of our consumers.

##### A. Criteria guiding Risk reduction

1. Threshold for Total Fat: No more than 30% of the total energy per serving and no more than 10% SaFa of the total energy (*WHO 2016*)
2. Threshold for Sugar: Less than 6% Added Sugar in Beverages &  $\leq 10\%$  of Total Kcal per serving for other products (*WHO SSB*)
3. Threshold for Sodium: 1mg Sodium per Kcal per 100g product or per serving (*WHO 2012/2016*)
4. Zero *Trans* Fat & Zero Cholesterol
5.  $\leq 230$  calories per serving of snacks and beverages (*WHO 2016*)

##### B. Criteria guiding Enhanced Wellness

1. Products addressing micronutrient deficiency (Such as: Iron, Iodine, Zinc, Folate, Vitamin A and D as source) (*CDC Micronutrient Facts 2021 / PAHO-WHO 2016 Nutrient Profiling*)
2. Acceptable Macronutrient Distribution Range (AMDR) [Carbohydrate (55-70%), protein (10-15%) and fats (20-30%)] (*National Academy of Science, FNB of the Institute of Medicine 2002/2004*)
3. 100% Natural Ingredients (Recognizable ingredients, naturally sourced, minimally processed. Free from artificial flavors / artificial colors / artificial preservatives / or synthetic additives.)
4. 100% Plant based proteins
5. Products using functional quality ingredients to improve wellness (Such as Protein, Fiber, Bioactives as source)

Total URC Wellness Score for 2022 using updated criteria showed 100% of total products passed 1 URC Wellness Criteria, 98% passed 2 URC Wellness Criteria, 90% passed 3 URC Wellness Criteria and 41% passed 4 URC Wellness Criteria.

At the end of 2022, we have in our product portfolio a significant number of products well within most of the Risk Reduction Criteria Thresholds. A total of 210 products or 26% out of 822 products are within Threshold for Total Fat, 44% for Less than 6% Added Sugar in Beverages but <10% of total calories, 99% for <230 Calories/serving, 66% to 1mg Sodium is to 1 Kcal Product, and 91% for 0 Trans Fat and 0 Cholesterol.

For the Enhanced Wellness Criteria, 12% of total products address micronutrient deficiency, 3% for Products using functional quality ingredients to improve wellness and less than 1% for AMDR, 100% Plant-Based Protein and for 100% Natural Ingredients.

As we progress significantly against the Risk Reduction Criteria, we also continue to release new products that enhance wellness. This year includes functional beverages that help improve immunity and a calorie-nutrient dense biscuit. We launched B45 Coffee Mix with Malunggay as Source of Vitamin C and Zinc, re-introduced Goodday cultured milk drink with paraprobiotic that aids in the enhancement of natural resistance to infection. It comes in 3 flavors Mango, Original and Strawberry. Megamunch is a biscuit that contains 570 kcal to bridge energy and micronutrient gaps during calamities. All these initiatives contribute to the UN SDG 2.

## Our Governance and Enterprise Risk Management

Setting the tone from the top through oversight of our Board Directors

### Corporate Governance

JG Summit Holdings, Inc. (“JGSHI” or the “Company”) upholds its commitment to doing business in accordance with its long-held values in exercising the highest ethical standards of always acting in good faith and in the best interest of all stakeholders. These values, which extend to corporate governance, have been the foundation of the Company in advocating and promoting the principles of integrity, fairness, transparency and accountability.

JGSHI continuously strives to strengthen and improve its governance practices within the framework of evolving laws and regulations of the Securities and Exchange Commission (“SEC”) and the Philippine Stock Exchange (“PSE”) on the recommended corporate governance principles and industry best practices. This includes reinforcing its principles across different corporate governance areas, namely: the Board of Directors’ (“Board”) governance responsibilities, disclosure and transparency, internal control and risk management frameworks, cultivation of synergic relationship with shareholders, and duties to stakeholders. Consequently, there is an ongoing and regular review of JGSHI’s numerous company policies, guidelines, and standards, such as its Code of Business Conduct, which all of its operating companies and employees are expected to follow.

In addition, JGSHI considers that compliance with the highest standards of corporate governance translates to better value propositions for shareholders and customers, minimized risks, growth, and sustainability. The economic value generated by a well-managed and governed enterprise not only benefits shareholders, but also the local communities through job creation and the promotion of a healthy community through the Company’s corporate social responsibilities (“CSR”) programs. Ultimately, in its pursuit to heighten observance of good corporate governance in light of emerging trends, JGSHI is resolutely and relentlessly carrying out its business purpose and intention of offering better choices to its customers, and of creating shared success with all its stakeholders.



## Board Matters

### *The Board's Governance Responsibilities*

The Board is primarily responsible for the governance of the Company and provides an independent check on management. JGSHI is headed by a competent and working Board to ensure the Company's unremitting success and sustain its competitiveness and profitability in a manner consistent with its objectives, goals, strategies and measures ("OGSM") and the long-term best interests of shareholders and other stakeholders.

The Board exercises care, exceptional skill, and sound judgment, as well as observes good faith and loyalty in the conduct and management of the business and affairs of the Company. This ensures that all the Company's actions are within the scope of power and authority prescribed in the Articles of Incorporation, Amended By-Laws, and existing laws, rules, and regulations. Likewise, in accordance with the Company's policies and mandate, the Board performs its duties and responsibilities conscientiously and with honesty and integrity thus, faithfully upholding the standards and its commitment to JGSHI, its shareholders and other stakeholders.

The Board's detailed roles, duties and responsibilities in compliance with relevant laws, rules and regulations are defined in the Company's Revised Corporate Governance Manual ("RCGM").

[https://www.jgsummit.com.ph/corporate-governance/corporate-governance-manual?ref=nav\\_corporate\\_governance\\_manual](https://www.jgsummit.com.ph/corporate-governance/corporate-governance-manual?ref=nav_corporate_governance_manual)

### *Balanced Board Composition and Diversity*

The Company recognizes the benefits of having a diverse Board and its value in maintaining sound corporate governance while achieving strategic objectives and sustainable growth. The Directors' biographical details are set out in the Information Statement <https://www.jgsummit.com.ph/disclosures/sec-fillings/sec-information-statement>. Each Director provides a unique business perspective, experience and set of skills, all valuable to the Company.

In the implementation of the Board Diversity Policy in the Company, JGSHI does not discriminate by reason of gender, age, disability, ethnicity, nationality, political, religious, or cultural backgrounds of its directors or candidates for directors, officers and employees. The incumbent Board is diverse in terms of expertise, gender and professional experience and academic backgrounds. On March 29, 2023, it approved as a policy to use professional search firms or other external sources of candidates when searching for candidates to the board of directors.

The annually elected Board is comprised mainly of Non-Executive Directors [i.e., four (4) Non-Executive and four (4) Independent Directors] other than the Company's President and Chief Executive Officer ("CEO"), all of whom possess the necessary qualifications and none of the disqualifications. The Board also has a female director who is a Non-Executive Director. Furthermore, the posts of Chairman and CEO are separate to ensure a clear distinction between the Chairman's responsibility to manage the Board and the CEO's responsibility to manage the Company's business.

### *Board Assessment*

An annual self-assessment to evaluate performance is being conducted by the Board as a whole, the Board Committees, the individual directors and the Company's key officers. This exercise helps them thoroughly review their performance, understand their roles and responsibilities and lead effectively. It also assesses a director's attendance at board and committee meetings and participation in boardroom discussions.

The Board Committees' self-assessment questionnaires contain the following criteria, which are based on leading practices and principles on good governance: **A. for the Board:** i.) Board Composition, ii.) Board Efficiency and Performance, and iii.) Board Meetings and Participation; **B. for the Board Committees:** i.) Board Committee Performance, and ii.) Board Committee Structure; **C. for individual directors:** i.) Independence, ii.) Participation, iii.) Expertise, iv.) Character, v.) Fiduciary Duty, and iv.) Innovation. On the other hand, the **Chairman's**, and the **President and CEO's** self-assessment questionnaires contain the following criteria: i.) Leadership, ii.) Integrity, iii.) Diligence, iv.) Corporate Governance, v.) Entrepreneurial Mindset, and vi.) Stewardship. Lastly, the **key officers**, namely the Corporate Secretary, the Chief Compliance Officer, the Chief Finance and Risk Officer, and the Chief Audit Executive were rated based on their key functions.

The annual self-assessment is also supported by an external facilitator every three (3) years and allow for a feedback mechanism for stockholders pursuant to the recommendation in the Code of Corporate Governance for Publicly-Listed Companies ("CG Code for PLCs"). In 2022, JGSHI engaged Good Governance Advocates and Practitioners of the Philippines ("GGAPP") as its independent Third-Party Board Evaluator in the conduct of the Board Self-Assessment.

The Company analyzed the report of GGAPP and the Board, Management, and/or appropriate committees acted upon the recommendations, as they deemed necessary.

## The Board Committees

To enable a better and more focused attention on the affairs of the Company and to aid in the optimal performance of its roles and responsibilities, the Board approved the delegation of particular matters to the two (2) Board Committees namely: (a) Audit, Related Party Transactions and Risk Oversight Committee and (b) Governance, Nomination, Remuneration and Sustainability Committee (formerly Corporate Governance and Sustainability Committee).

### **A. Audit, Related Party Transactions and Risk Oversight Committee (“AURROC”)**

The role of AURROC is to oversee the Company’s financial reporting, internal control system, internal and external audit processes, and monitor compliance with applicable laws and regulations, and internal policies for efficiency and effectiveness of business operations, and proper safeguarding and use of the Company’s resources and assets; to ensure that the group-wide policy and system governing Material Related Party Transactions (“MRPTs”), particularly those that breach the materiality threshold is in place and effectively working; and to oversee the establishment of Enterprise Risk Management (“ERM”) framework that will effectively identify, monitor, assess and manage key business risks.

### **B. Governance, Nomination, Remuneration and Sustainability Committee (“GNRSC”)**

The Company entrusted to the Board the supervision of significant areas of corporate governance and the role to ensure faithful compliance with all applicable laws and regulations, and best business practices. In line with this, the Board is tasked to oversee the establishment and effective implementation of appropriate corporate governance policies and procedures pursuant to its RCGM, including but not limited to the Code of Business Conduct and policy on Conflict of Interest. In the same way, the Board assigned to its GNRSC the role to oversee the development and implementation of corporate governance principles and policies, and perform oversight functions on the Economic, Environment, Social and Governance aspects of sustainability, including ensuring the Company’s overall support and alignment with the appropriate standards. The GNRSC is responsible in formulating and applying the Company’s Code of Business Conduct and internal policies, as well as monitor compliance through communication and awareness campaign, continuous training and setting a proper forum where issues may be addressed. The GNRSC is also authorized to recommend a formal framework on the nomination, and evaluation of the performance of the directors, officers and senior management to ensure that this framework is consistent with the Company’s culture, strategies and the business environment.

The Board Committee Chairman and Members, who are all Independent Directors, are as follows:

<b>AURROC</b>	<b>GNRSC</b>
Antonio L. Go – Chairman Jose T. Pardo – Member Renato T. De Guzman – Member Artemio V. Panganiban – Member James L. Go – Advisory Member	Jose T. Pardo – Chairman Renato T. De Guzman – Member Antonio L. Go – Member Artemio V. Panganiban – Member

The AURROC and GNRSC Charters can be accessed here: [https://www.igsummit.com.ph/corporate-governance/board-committees?ref=nav\\_board\\_committees](https://www.igsummit.com.ph/corporate-governance/board-committees?ref=nav_board_committees)

### **Board Independence**

The Board has Independent Directors, who are occupying four (4) out of the nine (9) Board seats or more than one-third (1/3) of the members of the Board, and who possess all the necessary qualifications and none of the disqualifications to hold the position.

The accountability of the Board and Management are likewise in place. In cases of conflicts of interest, directors with material interests in any transaction with the Company abstain from participating in the deliberation of the same.

### **Lead Independent Director**

The Company's RCGM provides that the Board may consider designating a Lead Independent Director among the Independent Directors if the Chairman of the Board is not an Independent Director and if the positions of the Chairman of the Board and CEO are held by one person. His role is to lead the independent directors and guide the Board in cases where matters of conflict of interest may arise.

On May 13, 2022, the Board appointed Independent Director Antonio L. Go as the Lead Independent Director to perform the following functions:

- To serve as intermediary between the Chairman and the other directors when necessary;
- To convene and chair meeting of the Non-Executive Directors; and
- To contribute to the performance evaluation of the Chairman, as required.

### **The Chairman of the Board and the President and CEO**

To further strengthen the Board's independence, the position of the Chairman of the Board is separated from the President and CEO. Each position has distinct and separate duties and responsibilities in accordance with the Company's Amended By-Laws and RCGM. The Chairman of the Board is Mr. James L. Go, while the President and CEO is Mr. Lance Y. Gokongwei.

### **The Chairman**

The Chairman presides at all meetings of the Board and shareholders. He also assists in ensuring compliance with and implementation of the corporate governance policies and practices. He makes certain that the agenda focuses on strategic matters and guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions.

### **The President and CEO**

The President and CEO oversees the operations of the Company and manages human and financial resources in accordance with the strategic plan. He also provides leadership for Management in determining, developing, and implementing business strategies, plans and budgets to the extent approved by the Board. He provides the Board with a balanced and understandable account of the Company's performance, financial condition, results of operations and prospects, on a regular basis.

The detailed duties and responsibilities of the Chairman and the President and CEO can be referenced in the RCGM: [https://www.igsummit.com.ph/corporate-governance/corporate-governance-manual?ref=nav\\_corporate\\_governance\\_manual](https://www.igsummit.com.ph/corporate-governance/corporate-governance-manual?ref=nav_corporate_governance_manual)

### **Board Training and Orientation**

The Company ensures that directors can perform their functions effectively in this rapidly changing environment to cope with heightened regulatory policies, foreign and local demands, and the growing complexity of the business. Orientation programs are conducted for first-time directors to ensure that new members are appropriately apprised of their duties and responsibilities. This includes overview of the Company's operations, Code of Business Conduct, Corporate Governance framework and other relevant topics essential in the performance of their functions. As a matter of continuous professional education, the Company facilitates the training opportunities for the directors and key officers annually.

An in-house SEC-accredited Corporate Governance Seminar for directors and officers of the Gokongwei Group<sup>6</sup> entitled "UNBOX EXTRA: The Gokongwei Group Innovation Festival" was held via webinar on June 16, 2022 and rebroadcasted on October 17, 2022. The webinar covered the following topics:

- Welcome to the Metaverse: How customers will interact in the future.

---

<sup>6</sup> Gokongwei Group is not a legal entity but a collective name used for marketing or corporate branding purposes

- The Filipino Customer, Post Covid
- Design Thinking and Prototyping in Creating Great Customer Experiences
- Customer-led Production Innovation in URC
- Peddlr
- Customer Metrics that Matter
- How Southeast Asia's Largest Car E-Commerce Platform Solves Car Shopping Pain Points
- The Six Worker Archetypes for the World Ahead
- Data in All It Does: The Grab Story
- Technology to Enhance the Customer Journey

The Gokongwei Group leaders likewise attended an INSEAD Master Class as an additional in-house SEC-accredited corporate governance seminar which was held on September 6 and 7, 2022 at Dusit Thani Hotel, Cebu City. The two-day masterclass focused on how to continue to achieve healthy financial returns as a business with sustainable value creation for the environment and the nation at its core. The speakers were Mr. Atalay Atasu, Ms. Lucie Tepla and Mr. Ludo Van der Heyden.

## **Board Meetings**

The Board schedules meetings at the last quarter of the preceding year, holds regular meetings in accordance with its Amended By-Laws, and convenes special meetings when required by business exigencies. The notice and agenda of the meeting and other relevant meeting materials are furnished to the directors at least five (5) business days prior to each meeting. As can be seen in the Certificates of Attendance of Meetings, the Independent Directors have complete attendance for 2022. Unless otherwise provided in the Amended By-Laws, their absence shall not affect the quorum requirement.

There were four (4) regular Board meetings and one (1) organizational Board meeting in 2022. In each meeting, there was a quorum, consisting 2/3 of the number of directors, because all were present. All directors were also present in the virtual Annual Stockholders' Meeting ("ASM") held on May 13, 2022.

As approved by the Board on March 29, 2023, the Non-Executive Directors/Independent Directors shall have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present, and led by the Lead Independent Director.

## Attendance of Directors in Board and Board Committee Meetings

### A. Board Meetings

Directors	No. of Actual Meetings Held/Attended	Attendance Percentage
James L. Go	4/4	100%
Lance Y. Gokongwei	4/4	100%
Patrick Henry C. Go	4/4	100%
Johnson Robert G. Go, Jr.	4/4	100%
Robina Y. Gokongwei-Pe	4/4	100%
Jose T. Pardo	4/4	100%
Renato T. De Guzman	4/4	100%
Antonio L. Go	4/4	100%
Artemio V. Panganiban	4/4	100%

### B. Board Committee Meetings

Position	Name	No. of Actual Meetings Held/Attended	Attendance Percentage
<b>A. AURROC</b>			
Chairman	Antonio L. Go	4/4	100%
Member	Renato T. De Guzman	4/4	100%
Member	Jose T. Pardo	4/4	100%
Member	Artemio V. Panganiban	4/4	100%
Advisory Member	James L. Go	4/4	100%
<b>B. GNRSC</b>			
Chairman	Jose T. Pardo	4/4	100%
Member	Renato T. De Guzman	4/4	100%
Member	Antonio L. Go	4/4	100%
Member	Artemio V. Panganiban	4/4	100%

## 2022 Board Remuneration

	Director	Per Diem	
		Board Meetings	Committee Meetings
1	James L. Go	210,000.00	105,000.00
2	Lance Y. Gokongwei	210,000.00	-
3	Patrick Henry C. Go	210,000.00	-
4	Robina Gokongwei-Pe	210,000.00	-
5	Johnson Robert G. Go, Jr.	210,000.00	-
6	Jose T. Pardo	210,000.00	210,000.00
7	Renato T. De Guzman	210,000.00	210,000.00
8	Antonio L. Go	210,000.00	210,000.00
9	Artemio V. Panganiban	210,000.00	210,000.00
	<b>TOTAL</b>	<b>1,890,000.00</b>	<b>945,000.00</b>

## Security Ownership of Management as of December 31, 2022

Title of class	Names of beneficial owner	Position	Amount and nature of beneficial ownership	Citizenship	% to total outstanding
Common	1. James L. Go	Chairman	156,288,580(D)	Filipino	2.08%
Common	2. Lance Y. Gokongwei	Director, President and Chief Executive Officer	570,962,279(D)	Filipino	7.59%
Common	3. Patrick Henry C. Go	Director	133,164(D)	Filipino	*
Common	4. Robina Y. Gokongwei-Pe	Director	190,464,774(D)	Filipino	2.53%
Common	5. Johnson Robert G. Go, Jr.	Director	47,737(D)	Filipino	*
Common	6. Artemio V. Panganiban	Director	10(D)	Filipino	*



<b>Title of class</b>	<b>Names of beneficial owner</b>	<b>Position</b>	<b>Amount and nature of beneficial ownership</b>	<b>Citizenship</b>	<b>% to total outstanding</b>
Common	7. Jose T. Pardo	Director (Independent)	1(D)	Filipino	*
Common	8. Renato T. De Guzman	Director (Independent)	22,838(D)	Filipino	*
Common	9. Antonio L. Go	Director (Independent)	1(D)	Filipino	*
Common	10. Lisa Y. Gokongwei-Cheng	Senior Vice President, Digital Transformation and Corporate Services	146,018,275(D)	Filipino	1.94
Common	11. Michael P. Liwanag	Senior Vice President, Investor Relations, Chief of Staff	52,500 (D)	Filipino	*
Common	12. Maria Celia H. Fernandez-Estavillo	Senior Vice President, General Counsel and Corporate Secretary	5,250(D)	Filipino	*
Common	13. David Gulliver G. Go	Chief Human Resources Officer, Corporate Human Resources	43,735(D)	Filipino	*
			1,064,035,144		14.14%

**Notes:**

D - Direct

\* less than 0.01%

**Executive Compensation**

A. CEO and Four (4) most highly compensated executive officers

<b>Name</b>	<b>Position</b>	<b>Salary</b>	<b>Bonus</b>	<b>Others*</b>
1. Lance Y. Gokongwei	Director, President and Chief Executive Officer	P90,148,972.00	P500,000.00	P210,000.00
2. Maria Celia H. Fernandez-Estavillo	Senior Vice President, General Counsel and Corporate Secretary			
3. Renato T. Salud	Senior Vice President, Corporate Affairs and Sustainability			
4. Bach Johann M. Sebastian	Senior Advisor, Corporate Finance and Strategy			
5. Aldrich T. Javellana	Senior Vice President and Treasurer			

B. All other officers and directors as a group unnamed

<b>Salary</b>	<b>Bonus</b>	<b>Others*</b>
P62,518,545.00	P4,000,000.00	P2,625,000.00

\*includes per diems of directors

## Ownership Structure Chart

Below is the security ownership of certain record and beneficial owners of more than 5% of the JGSHI's voting securities as of **December 31, 2022**

Title of class	Names and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of shares held	% to total outstanding
Common	Gokongwei Brothers Foundation, Inc. 43/F Robinsons-Equitable Tower ADB Ave. cor. Poveda St. Ortigas Center, Pasig City (stockholder)	Same as record owner (See note 1)*	Filipino	2,096,930,273	27.88%
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (See note 2)*	Filipino	1,902,192,937 (See note 3)	25.29%
Common	PCD Nominee Corporation (Non-Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (See note 2)*	Non-Filipino	867,584,265 (See note 3)	11.54%
Common	RSB-TIG No. 030-46-000001-9 17/F Galleria Corporate Center, EDSA cor. Ortigas Avenue, Quezon City (stockholder)	Trustee's designated officers (See note 4)*	Filipino	1,084,985,186	14.43%

\*See notes in SEC 17-A "Security Ownership of Certain Record and Beneficial Owners" portion

## **The Corporate Secretary**

The Corporate Secretary assists the Board and the Board Committees in the conduct of their meetings, including preparation of the annual schedule of Board and Committee meetings and the annual Board calendar. She also assists the Chair and its Committees in setting agendas for the meetings, safekeeps and preserves the integrity of the minutes of the meeting of the Board and its Committees, as well as other official records of the Company.

**Atty. Maria Celia H. Fernandez-Estavillo**, 51, is the Senior Vice President, General Counsel, and since September 30, 2020, Corporate Secretary of JGSHI. She is also the Corporate Secretary of Universal Robina Corporation and JG Summit Olefins Corporation and the Assistant Corporate Secretary of Gokongwei Brothers Foundation, Inc. She is a member of The British School Manila Board of Governors since 2020 and the Solar Village Foundation Board of Trustees since 2022. Prior to joining JGSHI in March 2017, Atty. Fernandez-Estavillo was the head of the Legal and Regulatory Affairs Group, the Corporate Secretary and a member of the Board of Directors of Rizal Commercial Banking Corporation. She was the Assistant Vice President of Global Business Development of ABS-CBN. She also held positions in government as Head of the Presidential Management Staff, Assistant Secretary at the Department of Agriculture and Chief of Staff of Senator Edgardo J. Angara. She began her legal career in ACCRA. She graduated from the University of the Philippines with a Bachelor of Science degree in Business Economics (*Summa Cum Laude*) and secured her Juris Doctor (*Cum Laude*) from the same school. She completed her Master of Laws in Corporate Law from New York University School of Law. She received the highest score in the Philippine Bar examinations of 1997.

## **The Chief Compliance Officer**

The Chief Compliance Officer monitors, reviews, evaluates and ensures the compliance by the Company, its directors, officers and employees with the provisions and requirements of the RCGM and the relevant laws, the CG Code for PLCs, rules and regulations and all governance issuances of regulatory agencies. She also ensures the integrity and accuracy of all documentary submissions to the regulators, identifies possible areas of compliance issues and works towards the resolution of the same. She assists the Board and the GNRSC in the performance of their governance functions, including their duties to oversee the formulation or review and implementation of the Corporate Governance structure and policies of the Company.

**Atty. Laurinda R. Rogero**, 46, was appointed Chief Compliance Officer on March 30, 2022 and is currently the Vice President and Compliance Head of JGSHI's General Counsel Group, a role she has held since May 2017. Prior to joining JGSHI, she was Vice President and Head of the Anti-Money Laundering Department under the Legal and Regulatory Affairs Group of RCBC. She also served as Legal Associate in ACCRA and as Court Attorney in the Supreme Court under Associate Justice Consuelo Ynares-Santiago. Atty. Rogero secured her Juris Doctor from the University of the Philippines and her Master of Laws from the University of Melbourne. She was admitted to the Philippine Bar in 2004.

## **Compliance Report**

The Company submitted the 2021 Integrated Corporate Governance Report (“I-ACGR”) to the SEC and PSE on May 25, 2022. The I-ACGR is a reportorial requirement under SEC Memorandum Circular No. 15 series of 2017 for all PLCs to disclose the Company’s compliance or non-compliance with the recommendations provided under the CG Code for PLCs. With the “comply or explain” approach, voluntary compliance to recommended corporate governance best practices is combined with mandatory disclosure.

To view the Company’s I-ACGR, please access through this link: <https://www.jgsummit.com.ph/corporate-governance/compliance/annual-corporate-governance-report>

The Company has a compliance program/manual covering compliance with relevant laws, regulations and policies that is annually reviewed. The manual also has the following contents: i.) Compliance System, ii.) Compliance Structure; iii.) Compliance Program; iv.) Compliance Review; and v.) Compliance Training and Awareness initiatives.

## **Dividends**

The Company’s policy is to deliver a steady flow of dividends to its shareholders. In the past five years, JGS has successfully paid out at least Php0.30 per share annually despite the significant adverse impact of the pandemic in the Company’s operations and profitability. The Company shall declare cash dividends annually. The dividend rate, however, shall be reviewed every year by the Board of Directors taking into account the absence of circumstances which may restrict the payment of such dividends and considering applicable laws and regulations, the Company’s results of operations, medium and long-term growth and investment strategies, cash flow requirements, and other relevant factors.

The Board approved on May 12, 2022 the declaration of a regular cash dividend in the amount of Forty Centavos (₱.40) per common share from JGSHI’s unrestricted retained earnings as of December 31, 2021 to all stockholders of record as of May 26, 2022. The cash dividends were paid on June 4, 2022.

## **CORPORATE GOVERNANCE POLICIES**

### **Revised Corporate Governance Manual**

The Revised Corporate Governance Manual (“RCGM”) institutionalizes the principles of good corporate governance throughout the organization. It lays the foundation to the Company’s compliance system and identifies the responsibilities of the Board and Management in relation to corporate governance. It also states the Company’s policies on disclosure and transparency, and mandates the conduct of communication and training programs on corporate governance. The RCGM further provides the rights of all shareholders and the protection of the interest of the minority shareholders.

The Company’s RCGM, Board and different Board Committee Charters, and the Corporate Governance organizational structure are regularly reviewed to ensure compliance with regulatory issuances and to keep pace with the constant development of corporate governance best practices. Continuous improvement and monitoring of governance and management policies have been undertaken to ensure that the Company observes good governance. The Company also consistently strives to raise its financial reporting standards by adopting and implementing prescribed Philippine Financial Reporting Standards.

To view the Company’s RCGM, please access through this link: [https://www.jgsummit.com.ph/corporate-governance/corporate-governance-manual?ref=nav\\_corporate\\_governance\\_manual](https://www.jgsummit.com.ph/corporate-governance/corporate-governance-manual?ref=nav_corporate_governance_manual)

### **Code of Business Conduct and Corporate Governance Policies**

To reinforce the governance framework, the Company put in place the Code of Business Conduct and adopted policies on **Conflict of Interest, Anti-Bribery and Anti-Corruption, Whistleblowing, Insider Trading, Material Related Party Transactions, Stakeholders Health Safety and Welfare, Protection of Creditors’ Rights, Board Nomination and Election, Succession Planning and Remuneration, Board Diversity, Corporate Disclosure, Supplier Accreditation**, among others.

The above-mentioned corporate governance documents and policies may be accessed in the Company’s website, in the Governance section, [https://www.jgsummit.com.ph/corporate-governance/company-policies/code-of-business-conduct-ethics?ref=nav\\_corporate\\_company\\_policies](https://www.jgsummit.com.ph/corporate-governance/company-policies/code-of-business-conduct-ethics?ref=nav_corporate_company_policies)

## **Code of Business Conduct**

The fundamental principle of this Code is the expectation that all JGSHI employees, subsidiaries and affiliates are required to conduct their dealings in the interest of the Company and in accordance with the highest legal and ethical standards. Thus, everyone must observe the Company's core values, acceptable norms, and the policies indicated in the Code of Business Conduct in all of our business activities and future endeavors.

## **Anti-Bribery and Anti-Corruption Policy**

JGSHI upholds its commitment to the highest standards of integrity as set out in the Company's core values. It is the duty of Company employees to avoid acts which might reflect adversely upon the integrity and reputation of the Company and to act with honor in every undertaking with all the stakeholders, keeping in mind the principle of always doing the right thing because it is the right thing to do, even when no one else is watching.

## **Conflict of Interest Policy**

It is the duty of the Company to protect the interests of all stakeholders and ensure procedures are in place to guide its directors, officers, employees, consultants, agents or representatives, in handling transactions where actual, potential, or perceived conflicts of interest may arise. In this regard, the directors, employees and consultants are directed to ensure that all work-related decisions, actions, or inactions are above-board and based on sound business principles and judgment and devoid of bias or partiality. This policy aims to strengthen the stakeholders' confidence in the good governance of the Company by promoting the core value of integrity and reinforcing its Code of Business Conduct and Anti-Bribery and Anti-Corruption policies and programs, as well as, ensure that business decisions always reflect independent judgment and discretion, and are based on the best interests of the Company.

## **Material Related Party Transactions Policy**

It is the policy of the Company to conduct all Related Party Transactions ("RPT") on an arm's length basis, on fair and reasonable terms and conditions no less favorable than any such terms available to unrelated third parties under the same or similar circumstances. MRPT refers to any related party transaction, either individually, or in aggregate over a twelve (12) – month period with the same related party, amounting to ten percent (10%) or higher of the Company's total consolidated assets based on its latest audited financial statements. Its purpose is to protect the Company from conflict of interest by instituting the proper review, approval and reporting of transactions which may be entered into between or among the Company or any of its subsidiaries, associates, affiliates, joint venture, directors and officers.

## **Stakeholders Welfare, Transparency, and Anti-Corruption**

### **Duty to Shareholders**

The Company is committed to ensure fair and equitable treatment of all shareholders, including the minority, and to protect their rights which include the right to vote on all matters that require their consent or approval, right to inspect corporate books and records, right to information, right to dividends and appraisal right.

JGSHI is transparent and fair in the conduct of its Annual and Special Shareholders' meetings and encourages active shareholders participation. The Annual Stockholders' Meeting ("ASM") was held on May 13, 2022 by remote communication and was attended by shareholders owning or representing a majority of the outstanding capital stock and by all of the Board. The Notice of the ASM was published in the Manila Standard and Business World on April 18, 2022 in accordance with the CG Code for PLCs, and the Amended By-Laws, as approved by the Board on March 29, 2023, requiring said notice be sent to shareholders at least twenty-eight (28) days before the meeting. The shareholders are encouraged to attend such meetings. Shareholders who are unable to attend are apprised ahead of time of their right to appoint a proxy. In order for the Company to properly conduct validation procedures through its external auditor, stockholders who wish to participate via remote communication are instructed to notify the Company through email of their desire to vote in absentia. Subject to the requirements of law, rules and regulations and the Amended By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the favor of the shareholder.

In accordance with Article II, Section 7 of the Amended By-Laws, every stockholder is entitled to vote, in person or by proxy, for each share of stock held by him which has voting power upon matters in question.

### **Shareholders' Rights**

The Company recognizes the right of all shareholders to be treated fairly and equally, whether they are controlling or minority; local or foreign. The Company respects the rights of shareholders as provided under the Revised Corporation Code and other laws, and as stated in its Articles of Incorporation and Amended By-Laws. These rights relate to the following, among others: (1) right to vote on all matters that require their consent or approval; (2) right to inspect corporate books and records; (3) right to information; (4) right to dividends; and (5) appraisal right. In furtherance of these rights, an Investor Relations Officer ("IRO"), under the Corporate Strategy Office, was appointed in order to communicate to the shareholders all material information on the activities of the Company.



## **Duty to Other Stakeholders**

The Company recognizes and places importance on the interdependence between business and society, and promote a mutually beneficial relationship that encourages the Company's sustainable growth, while contributing to the advancement of the society where it operates. The Company employs value chain processes that take into consideration the Economic, Environmental, Social and Governance issues and concerns.

## **Customers' Welfare**

The Company adopts customer relations policies and procedures to protect the customer's welfare. This includes providing and making available the customer relations contact information empowered to address and attend to customer questions and concerns.

## **Supplier/Contractor Selection**

The Company follows the Supplier Accreditation Policy to ensure that the Company's suppliers and contractors are qualified to meet its commitments. Apart from the accreditation process, suppliers and contractors also undergo orientation on Company policies and ethical practices.

## **Employees**

The Board also establishes policies, programs and procedures that encourage employees to actively participate in the realization of the Company's goals and its governance including but not limited to:

- Health, safety and welfare;
- Training and development; and
- Rewards, Compensation and Benefits.

### **1. Performance-enhancing mechanisms for employee participation**

The Company complies with the standards and policies set by the Department of Labor and Employment. Likewise, the Company has Security and Safety Manuals that are implemented, reviewed and regularly updated to ensure the security, safety, health, and welfare of the employees in the workplace.

## 2. Anti-corruption programs and procedures

The ethical and behavioral standards that are expected of directors, officers and employees are set out and embodied in the Company's Code of Business Conduct, Anti-Corruption Programs, Company Policies and Offenses Subject to Disciplinary Action ("OSDA"), among others. The same are disseminated to all directors and employees across the Company through trainings and advisories to embed them in the Company culture. On November 7, 2022, an online refresher on the Code of Business Conduct and Ethics was launched where JGSHI garnered 100% training compliance for both its directors and employees. New employees are likewise oriented regarding policies and procedures related to Business Conduct and Ethics. Further, employees of the Conglomerate are required to comply with the Self-Disclosure Activity on Conflict of Interest and Declaration of Gifts Received on an annual basis. Covered employees pledge their adherence to the Code of Business Conduct upon accomplishing the Self-Disclosure Form.

The Company also has an established suitable framework for whistleblowing and ensure its enforcement to allow employees and other stakeholders to freely communicate their concerns and any complaints including illegal or unethical practices or behavior, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.

Any employee, business partner and other stakeholders may discuss or disclose in writing any concern on potential violation of the Code of Business Conduct with the Integrity and Ethics Council ("IECON"). Reports can be made in writing or by email using the following contact details:

Email: [iecon@jgsummit.com.ph](mailto:iecon@jgsummit.com.ph)

Mailing Address:

IECON JG Summit Holdings, Inc.

40/F Robinsons Equitable Tower ADB Avenue corner Poveda St.,  
Ortigas Center, Pasig City Metro Manila, Philippines

All information received in connection with the reports or disclosures shall be strictly confidential and shall not be disclosed to any person without prior consent of IECON.

The Company also launched "i-Speak", an online whistleblowing portal available for access 24/7 by the public in the Company's website. Access to i-Speak is through this web link: [i-Speak Report](#)

The anti-corruption programs and procedures of the Company cover the following:

- Conflict of Interest
- Conduct of Business and Fair Dealings

- Receipt of Gifts from Third Parties
- Compliance with Laws and Regulations
- Respect for Trade Secrets/Use of Non-public Information
- Use of Company Funds, Assets and Information
- Employment and Labor Laws and Policies
- Disciplinary Action
- Whistleblowing
- Resolution of Conflicts

JGSHI participates in organizations engaged in programs in the field of corporate governance, compliance and business ethics, such as NAVEX and KEN Knowledge International (e.g., trends in whistleblowing, Corporate Governance Masterclass, etc.), which enables the Company to have access to materials, discussions and trainings related to corporate governance, as well as interact with other governance and ethics professionals around the world. Locally, JGSHI is a member of the GGAPP, and participates in activities sponsored by the Institute of Corporate Directors (“ICD”).

Risk assessments are conducted on various aspects of the business, such as strategic, governance, operational, legal, compliance, among others. This process encompasses assessment of risk of corruption and bribery within the organization and external parties.

## Enterprise Risk Management

JGSHI recognizes the increasing importance of sound risk management practices to drive business growth and sustainability. The Company acknowledges that viewing business risks and opportunities in the context of sustainable development is the way to remain responsive, relevant and successful. Aware of its volatile, uncertain, complex, and ambiguous (VUCA) business environment, the Company puts emphasis on critical, emerging, and systemic risks and drivers, including ESG risks and megatrends, to ensure that these are managed well and the interest of stakeholders are protected.

## Risk Governance

The role of Enterprise Risk Management (ERM) is to establish and maintain a sound framework to effectively identify, monitor, assess and manage key business risks. The risk management framework guides the Board in identifying business unit and enterprise-level risk exposures, as well as in evaluating the effectiveness of risk management strategies. The following structure represents the line of responsibility of key functions that ensure the effective management of all risks that are considered material to the Company.

The **Board of Directors** (BOD) assumes ultimate responsibility for the oversight of the Company's ERM policies and procedures. The BOD sets clear directions on the management of the most important risks and evaluates the overall effectiveness of the ERM process, both at the operating company level and the JGSHI level. The Board of Directors reviews Management reports with due diligence to enable the Company to anticipate, minimize, control and manage risks or possible threats to its operational and financial viability.

The **Audit, Related Party Transactions and Risk Oversight Committee** (AURROC) oversees the implementation of the ERM plan in accordance with the Board approved policies and procedures and it ensures the Board is fully informed on material risk exposures, mitigation actions, and residual risks.

The **Chief Risk Officer** (CRO) leads the Enterprise Risk Management process that will ensure a sound ERM framework is in place to effectively identify, monitor, assess and manage key business risks. The CRO spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentations, and communicates significant risk exposures, control issues, and risk management plans to the AURROC.

The Board appointed Brian M. Go as the Chief Finance and Risk Officer ("CFRO") of JGSHI. Under the risk and controls function, the CFRO is the steward of risk management, specifically those that have financial impact and affect company value.

**Brian M. Go**, 49, was appointed as the CFRO of JGSHI on July 1, 2021. He is also a Board Director and Executive Committee member for Maxicare, Maxilife and Maxicare Health Services, the Managing Director of URC Equity Ventures Pte Ltd., as well as serving on the Investment Committee of JG Digital Equity Ventures ("JGDEV"), and a Senior Advisory Board member of Robinsons Bank Corporation. Brian started his career in New York City with Booz Allen Hamilton in 1996, in the Financial Services practice. He returned to Manila in 1998, working at DTPI (Digitel/Sun Cellular) in Corporate Planning, and as Managing Director of the Datacom business. He worked in China

from 2003 to 2013, serving as Finance Director, then Chief Financial Officer of Ding Feng Real Estate (DFRE) group of companies. From 2007, he concurrently assumed the General Manager role for URC China, and was later appointed General Manager of URC Malaysia/Singapore. He was also the Vice President for URC's International Trading Operations/Global Exports based in Singapore from 2019 to 2022. Brian graduated from Harvard University with a degree in BA Economics, Cum Laude, in 1996. He completed his Executive MBA with Kellogg-HKUST in 2007 and is a CFA charter holder.

The **Risk Council** supports the CRO in identifying key risk exposures in all areas, including those relating to Economic, Environmental, Social and Governance factors and defining risk management strategies. The Risk Council leads the development of risk mitigation plans and in monitoring risks and effectiveness of response plans.

**Risk Champions** are functional or business unit heads responsible for setting and implementing controls to mitigate risks relevant to their respective departments or business units. They act as the ERM subject-matter experts on specific risk categories and collaborate with other risk champions to better understand risk interaction across the organization. They ensure the effective execution and continuous improvement of the ERM process in their respective areas of responsibility.

The **Risk Owners** are directly accountable and responsible for the identification and management of assigned risks. They work with risk champions to determine the best approaches to managing the risks. They evaluate the effectiveness of response, track and report residual risks, and recommend further risk treatment to the risk champion and the ERM Team.

**Internal Audit** provides independent assessments to the AURROC, Management and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the Company.

Risk Management Process

As a group, we employ a bottom-up approach involving each functional unit of our operating companies — Airline, Food Manufacturing, Real Estate, Bank, and Petrochemicals — to identify, assess, prioritize, and build risk responses. The top risks identified at the functional unit’s level are rolled up to the enterprise level of our operating companies, and then to the JG Group enterprise.



## Risk Identification, Assessment, and Prioritization

Risk champions and owners conduct risk identification using different tools such as risk factor analysis, megatrends analysis, and systems dynamics analysis. This enables them to determine the factors that could prevent delivery of their unit's business objectives. Identified risks are grouped into categories as follows:



For each risk category, we developed a risk assessment scale that defines what is considered insignificant, minor, moderate, major, or extreme impact to our business. Likewise, we set the likelihood parameters defining whether the chance of occurrence is rare, unlikely, probable, likely, or almost certain. Each operating company developed their own risk assessment scale depending on their context and risk appetite. In doing so, we made our risk rating process easier and more objective.

In assessing risks, we rated the severity of impact of the risks based on their nature, regardless of our organization's circumstances and capability to manage them. Those rated high and very high in severity were considered in the prioritization process.

Risks are prioritized based on our organization's risk profile, vulnerability, and contribution to aggravating certain risks. The latter is particularly relevant to ESG risks, like climate change impacts which we also contribute to. Furthermore, we also consider the urgency of the risks which is a factor of velocity or how quickly we will feel the impact of the risks when they materialize, and mitigation timeframe or the length of time that we need to manage these risks.

#### Risk Response, Monitoring, and Evaluation



We ensured that appropriate risk responses are in place for each priority risk, both at the level of the risk champions and risk owners and at the enterprise level of our operating companies. Risk responses have also been put in place at the JGSHI level, specifically those that are common to most of our businesses.

Risk champions are tasked to continually monitor and evaluate the effectiveness of the risk responses. Material residual risks are assessed properly for improvement of risk response and identification of recovery measures.

Given the dynamic nature of risks, the entire risk management process is iterated as separate and independent processes at the functional units of our operating companies and as a group-wide process.



## Risk Disclosures

<b>Strategic</b> <ul style="list-style-type: none"><li>• Capital allocation</li><li>• Business performance</li><li>• Investor sentiment</li></ul> 	<b>Reputational</b> <ul style="list-style-type: none"><li>• Corporate image and third-party ratings</li><li>• Misinformation</li><li>• Unmet customer and community needs</li></ul> 	<b>Governance</b> <ul style="list-style-type: none"><li>• Compliance with company policies</li></ul> 
<b>Emerging</b> <ul style="list-style-type: none"><li>• Geopolitical tensions</li><li>• Climate change risk</li></ul> 	<b>Operational</b> <ul style="list-style-type: none"><li>• Geohazards</li><li>• Supply chain disruptions</li><li>• Safety and product quality</li><li>• Equipment and process management</li><li>• Gas emissions and solid waste management</li></ul> 	<b>IT and Digitalization</b> <ul style="list-style-type: none"><li>• Cybersecurity</li></ul> 
<b>People</b> <ul style="list-style-type: none"><li>• Talent recruitment and retention</li><li>• Occupational health and safety</li></ul> 	<b>Financial</b> <ul style="list-style-type: none"><li>• Increases in interest rates</li><li>• Higher commodity costs</li><li>• Foreign exchange volatility</li></ul> 	<b>Legal and Compliance</b> <ul style="list-style-type: none"><li>• Potential legal disputes</li><li>• Variability in law interpretation</li><li>• Changing regulatory environment</li></ul> 

Our top **Strategic risks** cover areas of capital allocation, business performance and competition. We have also recently taken a closer look at how perceived exposure of the Group to industry disruptions, market volatilities, geopolitical risks and ESG risks affect stakeholder value. These risks could affect the Company's market capitalization, or pose an unfavorable view in the Group's value creation, and limit growth prospects. Our risk responses include conducting sector analysis in relation to customer trends, incorporating risk management in implementing the OGSM process in our businesses, regular review of capital allocation decisions and analysis on the potential impact on the parent company's risk-return profile, and effective communication of our business performance, as well as sustainability practices and initiatives.

Our **Reputational risk** pertains to how third-party views and ratings affect our corporate image and brands. Misinformation about JGSHI and/or its subsidiaries and unfavorable public opinion could impact the Company's license to operate, as well as market capitalization. We perform active scanning of mainstream social media outlets and continuously monitor our business positioning in the market and external reputation.

Our Company also follows a strict protocol in obtaining a social license to operate whenever it enters a certain community. Communities are important stakeholders who help the Company succeed. JGSHI recognizes risks related to poor community engagement, where communities' concerns are not properly addressed, could push the community to act against the Company's interest. It is crucial for JGSHI that the community understands the value that it brings to the community, and that the Company is open to hearing their feedback and doing what is best to address their concerns.

JGSHI also recognizes that unresolved customer complaints, especially when these reach digital platforms, may influence wider customer perception of the quality of our products and services. Issues surrounding product safety and quality, customer privacy and advertising, if remained unresolved, could lead to a decrease in customer satisfaction. Unmet customer satisfaction could result in a decline in sales, and eventual loss of market share.

Our **Governance risk** relates to compliance with company policies and processes. Unintended or intentional breaches of company policies and ethical standards may result in operational inefficiencies, significant financial losses, loss of stakeholder trust, or reputational damage. We address this by strengthening our internal control measures and functions. We also reinforce good corporate governance practices and regularly conduct training on code of business conduct and ethics.

Additionally, issues on corruption could compromise the Company's ability to equitably distribute economic value to the right stakeholders. Our Company has anti-corruption policies and procedures in place such as a code of conduct that prohibits corrupt practices, and a reporting mechanism for whistleblowers to report any suspected corruption.

**Emerging risks** refer to new or developing risks that the Company has little to no experience in, such as climate change, biodiversity loss, and pandemic.

We however consider geopolitical tensions as one of our top emerging risks with the continuing conflict in the global order causing economic volatility and severely affecting the international commerce and flow of goods and labor. Potential impact to the Company

includes difficulty in sourcing raw materials, decreased profits due to higher input costs, and reduced growth prospects. We incorporate geopolitical risk analysis and strategic foresight planning in market and transaction evaluation to reduce the impact of this risk.

The Company also takes into consideration the potential adverse impact of climate change on human and ecological systems. Extreme weather events may threaten human health and safety, disrupt food and water supplies, affect livelihoods, ecosystems and displace other species. Climate risks can have economic, social and cultural impact and may also affect infrastructure, assets and disrupt services provision that can result in financial losses. Realizing the urgency and importance of climate risks, we aim to improve our climate resilience, manage the negative physical and transition impacts and take advantage of the opportunities to stay ahead of the curve.

This year we are embarking on a project to gain better understanding of science-based climate risks information from the best available climate models to understand how our facilities and value chains can get impacted under different climate scenarios. We are considering the worst-case scenario (RCP 8.5) for physical risks for us to assess if our facilities can tolerate projected physical climate conditions such as extreme heat, wind speeds, precipitation in future time scales. We will also look at how our business environment such as regulatory and market conditions can change as driven by global and sectoral low-carbon transition under RCP 2.6 climate scenario. We will also attempt to estimate the financial implications of these climate impacts for consideration as we craft our risk response and mitigation strategies. In our succeeding reports, we will disclose our key findings and plans to implement climate risk controls.

Geohazards continue to be one of the most important **Operational risks** across the Group, along with supply chain disruptions, safety and product quality, and equipment and process management. Geohazards impact physical assets, operations, and personnel, while the quality of our products and services influences our relationship with our customers and their perception of the company. We are, however, always on top of these risks as we ensure that proper operations management and product quality management systems are in place, and there is diversity in raw materials sourcing and adequate insurance coverage for facilities, assets, and people. We have a supplier accreditation system in place to ensure continuous supply of quality goods and services by reputable and reliable suppliers who are compliant with applicable government rules and regulations like environmental, labor, health and safety, etc. To the extent possible, the Company promotes inclusive business in its value chain by getting supplies from farmers and cooperatives to provide employment and revenues to low-income communities.

Our Company also considers the long-term implications of material usage, beyond just reducing greenhouse gas emissions. By recognizing the potential for material scarcity, our Company is taking steps to reduce its reliance on non-renewable materials and adopt sustainable sourcing practices. This can include measures such as using recycled materials, reducing material waste through better design and production processes, and sourcing materials from suppliers that follow sustainable practices. Our Company also recognizes the potential risks to human health and the environment, posed by air emissions, air pollutants, and solid waste, and is taking steps to manage them

responsibly. We are implementing measures to reduce these emissions, such as improving combustion efficiency or using low-emission fuels to help mitigate these risks. Similarly, solid waste can also have negative impacts on the environment and surrounding communities, if not properly managed, such as that of plastic waste. By adopting responsible waste management practices, such as reducing waste generation through better design or recycling and treating waste, our Company can help to minimize these risks. It is also important to address the potential for leakages in the waste management system, as these can lead to various hazards. By implementing measures to prevent and detect leaks, such as regular maintenance and monitoring, our Company can reduce the likelihood of these hazards occurring and protect the environment and surrounding communities.

Cyber security risk remains to be the most relevant **IT and Digitalization risk** for the Group. The consequences related to this risk include loss of information, disruptions in business operations, increased cost of added security or disaster recovery, and potential loss of credibility and damage to brand and company image. This risk could also lead to significant regulatory violations. Instances of data breaches could place the Company's sensitive or confidential information at risk of being used against it or used to gain an unfair advantage over it. Leaks of personal information (e.g. employees and customers) could also pose threats to the person's safety and security. Nonetheless, this is well-mitigated as we continue to strengthen our security posture with pragmatic and holistic solutions to proactively identify, protect, detect, respond and recover, as well as improve our system and data access controls.

Our top **People risk** pertains to the intense competition for key talents, especially for those with digital aptitude. High attrition could result in business disruptions, compromised service quality and increased cost of talent acquisition and training. We address this by continually upgrading our talent acquisition strategies, conducting wages and benefits benchmarking, and employing data insights and advanced analytics in developing HR programs for employees' professional growth and development.

We foster a safe environment for labor unions to freely communicate their concerns to the management. This is key to arriving at a mutually beneficial agreement. When disagreements are not addressed immediately, the Company recognizes that it may run the risk of labor unrest, which can disrupt the company's operations and ability to meet its customer's needs.

A more diverse workforce could also improve the way the Company assesses the needs of its stakeholders. This opens the opportunity to innovate to better serve the needs of its stakeholders. This could alleviate exclusion of certain segments of the population, lower talent selection pool and high opportunity cost from untapped markets.

The pandemic has propelled the importance of Health and Safety to the forefront not just in the workplace but everywhere else. Our Company continues to work towards ensuring that employees are healthy and safe because we understand the consequences to life and

property if this is not addressed properly. Noncompliance with health and safety standards and regulations could also cost JGSHI penalties from regulators, suspension of operations, attrition, and damage to reputation.

Our key **Financial risks** are primarily related to sudden changes in market variables and liquidity. In the past two years, we have experienced drastic increases in interest rates and commodity prices, and foreign exchange volatility which significantly impacted our Group's financial performance. This includes margin compression due to higher input costs, higher cost of debt, and lower returns from financial investments. To counter this financial risk, our Group manages and maintains a good balance of foreign-denominated financial assets, local currency borrowings, risk-appropriate instruments, while strengthening both our onshore and offshore banking relationships.

Our **Legal and Compliance risks** include potential legal disputes and variabilities in law interpretation. Non-compliance with any law, including environmental regulations, could have financial and reputational implications for the Company from fines to stoppage of operations. We are closely monitoring regulatory updates such as those related to the Single-Use Plastic Products bill and the Extended Producer Responsibility Act. We have a team of in-house legal experts who coordinate with concerned business units on potential legal issues and pursue all remedies available. We also engage with third-party consultants, as necessary, to strengthen our position on related issues. Our Company ensures that the Group maintains compliance with regulatory requirements.

### **Internal Controls**

To further advocate the Company's commitment in the pursuit of good governance and achieving compliance with applicable laws and Company policies and procedures, the Company ensures to strengthen the Enterprise Governance, Risk Management and Compliance (GRC) Culture and maintain a strong system of internal controls focused on accountability and oversight of operations. With the leadership of the Company's CFRO, internal control is embedded in the operations of the company and in each Business Unit (BU) and Corporate Center Unit (CCU). To accomplish the established goals and objectives, the BUs and CCUs implement robust and efficient process controls to ensure:

1. Compliance with policies, procedures, laws and regulations
2. Economic and efficient use of resources
3. Check and balance and proper segregation of duties
4. Identification and remediation control weaknesses
5. Reliability and integrity of information
6. Proper safeguarding of company resources and protection of company assets through early detection and prevention of fraud.

## **ACCOUNTABILITY AND AUDIT**

The Board ensures that its shareholders are provided with a balanced and comprehensible assessment of the Company's performance, position and prospects on a quarterly basis. Interim and other reports that could adversely affect its business are also made available in the Company website including its submissions and disclosures to the SEC and PSE.

The Board also appoints a Chief Audit Executive upon the recommendation of the Audit Committee (now AURROC).

**Rya Aissa S. Agustin**, 42, is the Chief Audit Executive of JGSHI, appointed on July 1, 2021. Prior to her current role, she served as Director for Corporate Internal Audit. She has extensive experience in internal audit, compliance, risk management and finance in local and international sectors. Before joining JGSHI in 2020, she was the Compliance and Monitoring Head for National Grid Corporation of the Philippines. She started her audit practice in the Global Internal Audit group of Procter & Gamble handling several roles as Global Subject Matter Expert across various audit areas. She is a Certified Internal Auditor ("CIA") and a Fellow, Life Management Institute, with Distinction ("FLMI") which are globally recognized certifications for audit and financial services professionals. She graduated with a degree in BS Economics (*Magna Cum Laude*) from the University of the Philippines.

### **Internal Audit**

The Internal Audit Group is focused on adhering to their purpose, mission and vision to be the trusted advisors of the Board and Management and be world-class internal audit professionals who deliver independent, objective, quality and agile audit services at benchmark value, enabled by innovative audit systems and technologies.

The activities of the Internal Audit Group are governed by an Internal Audit Charter, which is approved and reviewed periodically by the AURROC under the charter. The Internal Audit adopts a risk-based audit approach and performs agile risk assessment to consider new and emerging risks. The Internal Audit Group provides independent and objective assurance, consulting and investigative services to assess and enhance the overall control environment encompassing the governance practices, risk management and internal controls and compliance with applicable laws and regulations.

To create competitive advantage through Governance, Risk Management and Compliance ("GRC") scale and synergies, the Internal Audit Group continues to work closely with the internal audit teams of the different business units through benchmarking and sharing of knowledge, best practices and tools.

The Internal Audit Group provides continuing training and professional development programs to remain relevant and to keep with the evolving business needs of the conglomerate.

## OTHER MATTERS

### External Auditor and their fees

Name of Auditor	Audit and Audit-Related Fees	Yr. 2022
SyCip, Gorres, Velayo & Co.	Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	₱ 4,780,000.00
	<b>Total</b>	<b>₱ 4,780,000.00</b>

### Company Website

The Company updates the public with operating and financial results through the timely disclosures filed with SEC and PSE. The company website is maintained to ensure investor-friendliness and the convenient access to information for all the shareholders and various stakeholders. The Company website contains comprehensive information about the Company's business portfolios, disclosures and reports, corporate governance reports, manual and policies, press releases and an archive thereof, vision, mission, core values, investor relations program, sustainability and corporate social responsibility activities, among others. The Company ensures that all information included in the Company website is accurate, relevant and up-to-date.

These are available on the company's website: <https://www.jgsummit.com.ph/>.

## Annex A

### Economic, Environment, Social and Governance (EESG) Performance Indices

#### Economic Performance

##### Direct Economic Value Generated and Distributed (in Million Php)

<b>Disclosure</b>	<b>Quantity (per 17A)</b>	<b>Quantity (including RBank)</b>
Direct economic value generated (revenue)	303,614	314,116
Direct economic value distributed	308,725	317,009
Payment to employees (Employee wages and benefits)	27,558	29,672
Payments to suppliers, other operating costs	252,619	257,795
Payment to Providers of Capital	19,811	19,811
Payment to Government	8,726	9,718
Community Investments Donations & Distributions	11	12
Direct Economic Value Retained	(5,111)	(2,893)

Note:

1. The amounts reflected herein are taken from the Company's audited financial statements for the year. Certain items in direct economic value distributed such as dividends given to stockholders are sourced from the previous years' economic value generated based on the SEC guidelines and found in the Company's balance sheet accounts. All other items are taken from the Company's financial statement. Hence, economic value distributed can be greater than economic value generated.
2. Philippine Financial Reporting Standards (PFRS) 5, Noncurrent Assets Held for Sale and Discontinued Operations, requires income and expenses from disposal groups to be presented separately from continuing operations, down to the level of profit after taxes. Robinsons Bank, in relation to its planned merger with BPI, qualifies as a disposal group held for sale and as such, Robinsons Bank's revenues, expenses and taxes for the year will be presented as a single line item in the consolidated income statement per 17A report called "Net income from discontinued operations". For purposes of the sustainability report, references should be made to the total JG consolidated balances including Robinsons Bank.



## Procurement Practices

### Proportion of spending on local suppliers

Disclosure	Unit	Quantity	Boundaries
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers <sup>7</sup>	%	61	URC <sup>8</sup>
		62	RLC <sup>9</sup>
		15	JGSOC

## Environmental Performance

### Energy consumption within the organization

Disclosure	Unit	Quantity	Boundaries <sup>10</sup>
Total Energy Consumption	GJ	29,658,971	URC, CEB, RLC, JGSOC, RBank, CCU <sup>11</sup>
Total Renewable Energy Consumption	GJ	1,668,296	URC <sup>12</sup> & RLC
Renewable Energy Generated (Solar and Biomass)	GJ	822,408	
Renewable Energy from the Grid	GJ	845,888	
Total Non-renewable Energy Consumption <sup>13</sup>	GJ	27,990,674	URC, CEB, RLC, JGSOC, RBank, CCU
Gasoline	GJ	28,753	
LPG	GJ	680,856	
Diesel	GJ	751,290	

<sup>7</sup> JGSHI is still in the process of consolidating this data from all subsidiaries

<sup>8</sup> Includes procurement of direct materials (raw materials and packaging material) of BCF PH and BCF INT

<sup>9</sup> Limited to non-aircraft related spend

<sup>10</sup> Data covers information of total URC (BCF-PH, BCF-INT, Flour, SURE, AIG, head offices, and external distribution centers in the Philippines)

<sup>11</sup> CCU stands for Corporate Center Unit

<sup>12</sup> Renewable sources include power generated from solar and biomass/biogas owned facilities and electricity purchased from our geothermal energy provider

<sup>13</sup> Includes fossil fuel used from operations and company-owned vehicles

Disclosure	Unit	Quantity	Boundaries <sup>10</sup>
Bunker	GJ	4,286,595	
Coal	GJ	2,839,396	
CNG	GJ	385,683	
LNG	GJ	106,268	
Jet fuel	GJ	15,700,919	
Grid Electricity	GJ	3,210,914	
Energy Intensity	GJ/MPhp	94.42 <sup>14</sup>	URC, CEB, RLC, JGSOC, RBank, CCU

#### GHG Emissions

Disclosure	Unit	Quantity	Boundaries
Total GHG Emissions	tCO2e	2,615,183	URC <sup>15</sup> , CEB, RLC, JGSOC, RBank, CCU
Gross Direct (Scope 1) GHG Emissions	tCO2e	2,114,530	
Gross Energy Indirect (Scope 2) GHG Emissions	tCO2e	391,600	
Gross Other Indirect (Scope 3) GHG Emissions	tCO2e	109,053	RLC <sup>16</sup>
GHG emissions intensity	tCO2e/MPhp	8.32 <sup>17</sup>	URC, CEB, RLC, JGSOC, RBank, CCU
ODS	tonnes	23.48	URC (BCF-PH only) <sup>18</sup>

<sup>14</sup> Energy Intensity is lower than pre-pandemic level (2019)

<sup>15</sup> GHG Emissions covers information of total URC (BCF-PH, BCF-INT, Flour, SURE, AIG, head offices, and external distribution centers in the Philippines)

<sup>16</sup> Electricity usage of RLC tenants

<sup>17</sup> GHG Intensity is lower than pre-pandemic level (2019)

<sup>18</sup> The refrigerants consumed by the plants includes R22 / Freon, R134a, R404, R407, R410, R507, R141B, R417, R32. R22 will be phased out consistent with the phase-out schedule set by DENR Administrative Order (DAO) 2013-25. In 2021, we have reduced the consumption of R22 by almost 70% in the production area of BCF-PH. Main contributors to these are the replacement of old Air Conditioning Units that uses R22. In addition, as part of the company's efforts in reducing the ODS usage, we are transitioning to centralized chiller systems to maintain only 1-4 types of ODS across different plants through Project JAGUAR.

## Air pollutants

Disclosure	Unit	Quantity	Boundaries
Nitrogen Oxides (NO <sub>x</sub> )	tonnes	1,438.93	URC and CEB
Sulfur Oxides (SO <sub>x</sub> )	tonnes	418.54	
Persistent organic pollutants (POP)	tonnes	-	No available data
Volatile organic pollutants (VOC)	tonnes	-	
Hazardous Air Pollutants (HAP)	tonnes	-	
Particulate Matter (PM)	tonnes	365.65	URC

### Note:

1. All stationary, mobile, and vehicular equipment of JGSHI subsidiaries undergo mandatory emission testing as required by DENR and LTO
2. Quantities reflect increase in scope in Air pollutants data. Air pollutants data for 2021 is lower than pre-pandemic levels (2019) except for PM.
3. URC data covers information from air pollution sources equipment (APSE) specifically from the boilers of BCF-PH, other APSE from BCF-Intl with air emission test result expressed in Tonnes per year and were conducted by a DENR Accredited Laboratory. The company will cover all the APSE including the generator sets and company vehicles as soon as DENR EMB releases the policy on Mass Emission Rate Standards for Stationary Sources and once the Scope 3 of GHG Inventory is established, respectively.

## Water consumption within the organization

### Total Water Withdrawal from all areas by source

Disclosure	Unit	2022	Boundaries
Total Water Withdrawal	cum	26,534,593	URC, CEB, RLC, JGSOC, RBank, CCU
Third-Party Water	cum	8,297,143	
Ground Water	cum	10,719,582	
Surface Water	cum	4,974,552	
Sea Water	cum	2,544,934	
Water discharge	cum	7,578,379	
Water consumption	cum	18,956,215	
Water recycled and reused	cum	1,084,659	URC, CEB, RLC, JGSOC
% of wastewater recycled	cum	14.32%	

## Social

### Employee Data

Disclosure	Unit	Quantity	Boundaries
Total Employees	#	23,122	CCU, RBank, CEB, RLC, JGSOC, URC
Male	#	13,597	
Female	#	9,525	
Attrition Rate	%	7.58 <sup>19</sup>	CCU, RBank, CEB, RLC, JGSOC
		10.5 <sup>20</sup>	URC
Ratio of lowest paid employee against minimum wage	Ratio	1:1 <sup>21</sup>	CCU, RBank, CEB, RLC, JGSOC, URC

### Diversity and Equal Opportunity

Disclosure	Unit	Quantity	Boundaries
Percent of male workers in the workforce	%	59	CCU, RBank, CEB, RLC, JGSOC, URC
Percent of female workers in the workforce	%	41	
Number of employees from indigenous communities and/or vulnerable sector <sup>22</sup>	#	30	RLC <sup>23</sup>

<sup>19</sup> Attrition rate is calculated using SEC formula: Attrition rate = (No. of new hires – No. of turnover)/ (Average of total no. of employees of previous and current year)

<sup>20</sup> Attrition rate is the total voluntary turnover of current year over average total no. of employees of current year (including new hires for the year)

<sup>21</sup> The ratio is based on the comparison between the wage of the lowest paid employee (base fare) and the minimum wage on the specific region. JGS is compliant with the minimum wage requirement

<sup>22</sup> Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

<sup>23</sup> RLC's vulnerable sector includes Solo Parents and elderly

## Employee benefits

JGS and its subsidiaries provide all mandatory benefits to 100% of its regular employees. Listed below are these mandatory requirements as well as some additional benefits that JGSHI and its subsidiaries offer its employees:

List of Benefits <sup>24</sup>	Y/N	% of male employees who availed for the year	% of female employees who availed for the year	Boundaries
SSS 1. Salary Loan 2. Parental Benefit 3. Sickness Benefit	Y	9.74% 100% covered 6.12%	11.91% 100% covered 8.20%	CCU, RBank, CEB, RLC, JGSOC
PhilHealth	Y	1.83%	4.16%	
Pag-ibig Salary loan	Y	8.10%	10.46%	
Parental leaves	Y	100% covered	100% covered	CCU, RBank, CEB, RLC, JGSOC, URC
Vacation leaves	Y	100% covered	100% covered	
Sick leaves	Y	100% covered	100% covered	
Emergency leaves	Y	100% covered	100% covered	
Medical benefits (aside from PhilHealth) - (HMO)	Y	100% covered	100% covered	
Housing assistance (aside from Pag-ibig)	Y	0.8%	0.3%	URC
Retirement fund (aside from SSS)	Y	0.26%	0.31%	RLC, RBank
Further education support	Y	1.18%	1.68%	CEB, RBank, RLC
Company stock options	Y	0.03% 0.69%	0.01% 0.19%	URC <sup>25</sup> CEB
Telecommuting	Y	9% 100%	33% 100%	URC CCU
Flexible-working Hours	Y	5% 100% 8.46%	6% 100% 11.88%	URC <sup>26</sup> CCU CEB

<sup>24</sup> URC 100% coverage for all mentioned regular employee benefits except housing assistance

<sup>25</sup> Company stock options are only applicable to select executive officers in URC

<sup>26</sup> Flexible working hours are only applicable to employees working in the head office

List of Benefits <sup>24</sup>	Y/N	% of male employees who availed for the year	% of female employees who availed for the year	Boundaries
Others: 1. Rice Subsidy 2. Medicine Allowance 3. Uniform Allowance 4. Other Employee Perks and Partnerships	Y			CCU <sup>27</sup>

## Employee Training and Development

### Training hours provided to employees

Disclosure	Unit	Quantity	Boundaries
Total training hours provided to employees	hours	391,377	CCU, RBank, CEB, RLC, JGSOC, URC
Male	hours	71,576	CCU, RBank, CEB, RLC, JGSOC
Female	hours	78,082	
Average training hours per employee	hours/employee	16.93	CCU, RBank, CEB, RLC, JGSOC, URC
Male	hours/employee	15.42	CCU, RBank, CEB, RLC, JGSOC
Female	hours/employee	14.71	

<sup>27</sup> This covers JGSHI CCU employees only. Benefits not mandated by the government are specifically allocated by the business units based on what is most suitable to their industry and their employees' needs. While JGSHI ensures that 100% of eligible employees are given government-mandated and company benefits

## Labor Management Relations

Disclosure	Unit	Quantity	Boundaries
Percentage of employees covered with Collective Bargaining Agreements	%	11.03	URC and CCU
Number of consultations conducted with employees concerning employee-related policies	#	16	URC and CEB

## Labor Laws and Human Rights

Disclosure	Unit	Quantity
Number of legal actions or employee grievances involving forced or child labor	#	0

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	The Company adopts and complies with the rules and regulations issued by the Department of Labor and Employment. Moreover, the Company ensures that engaged Service Providers comply with the same.
Child labor	Y	The Company adopts and complies with the rules and regulations issued by the Department of Labor and Employment. Moreover, the Company ensures that engaged Service Providers comply with the same.
Human Rights	Y	<ul style="list-style-type: none"> <li>▪ Policy on Sexual Harassment</li> <li>▪ Policy on Health, Safety and Welfare (Protection of Company Employees, Creditors and other Stakeholders' Rights)</li> <li>▪ Corporate Environment, Health and Safety Policy</li> <li>▪ Drug-Free Workplace Policy</li> </ul>

		<ul style="list-style-type: none"> <li>▪ Workplace Policy on Prevention Control of HIV and AIDS, Hepatitis B and Tuberculosis</li> <li>▪ Special Benefits for Women/Magna Carta for Women</li> <li>▪ Leave Benefits Policy (includes Expanded Maternity Leave, Solo Parent Leave, Vacation Leave, Sick Leave, Service Incentive Leave, Nuptial Leave, Emergency Leave, Bereavement Leave)</li> <li>▪ Whistleblowing Policy</li> <li>▪ Data Privacy Policy</li> <li>▪ Flexible Work Arrangement Policy</li> <li>▪ Work-From-Home Program</li> <li>▪ Mental Health and Wellness Policy</li> <li>▪ Retirement and Separation Benefits Policy</li> <li>▪ Hazard Pay Policy</li> <li>▪ Covid Protect Vaccination Policy</li> <li>▪ Information Security and Management Services Policies</li> </ul>
--	--	--

### Occupational Health and Safety

Disclosure	Unit	Quantity
Safe Man-Hours	hours	93,248,790
Number of safety drills conducted	#	272
Number of work-related injuries	#	341
Number of work-related fatalities	#	4
Number of work-related ill-health	#	0
Number of Lost Time Incidents (LTI)	#	66
Number of Days lost due to LTI	#	27,386
Number of First Aid Incidents	#	219
Number of Medical Treatment Incidents	#	61
All Injury Frequency Rate (AIFR)	rate	4.15



Governance

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Unit	Value	Boundaries
Percentage of employees to whom the organization’s anti-corruption policies and procedures have been communicated to	%	100	This total accounts for employees in JGSHI to whom the Code of Business Conduct have been communicated to
Percentage of business partners to whom the organization’s anticorruption policies and procedures have been communicated to	%	100	This total accounts for suppliers in JGSHI to whom the Code of Business Conduct, the Code of Discipline, and related Offenses Subject to Disciplinary Actions (OSDA) have been communicated to during the onboarding and orientation processes.
Number of directors and management that have received anti-corruption training	%	100	The Board of Directors took the Business Conduct and Ethics E-learning Refresher Course, which includes the Anti-Bribery and Anti-Corruption Policy. <sup>28</sup>
Percentage of employees that have received anti-corruption training <sup>29</sup>	%	100	This total accounts for employees who took the Business Conduct and Ethics E-learning Refresher Course <sup>27</sup> , which includes the Anti-Bribery and Anti-Corruption Policy

<sup>28</sup> The company created an e-learning refresher course on the Code of Business Conduct, which discussed in detail the definition of corruption, the laws, rules and regulations covering the said topic, Anti-Bribery and Anti-Corruption Policy, Conflict of Interest Policy, among other corporate governance policies.

<sup>29</sup> All RBank employees are required to take the Anti-Money Laundering Act training annually. URC will also roll-out an E-Module of the Code of Business Conduct where URC employees shall be asked to watch and take the exam to gauge comprehension and retention of the Company policies and guidelines. The Anti-Corruption policies and programs are made available online for all employees for their easy access, reference and guidance.

## Incidents of Corruption

Disclosure	Unit	Quantity	Boundaries
Number of incidents in which directors were removed or disciplined for corruption	#	0	CCU
Number of incidents in which employees were dismissed or disciplined for corruption	#	0	CCU
Number of incidents when contracts with business partners were terminated due to incidents of corruption	#	0	CCU

## Customer Management

### Data Security

Disclosure	Unit	Quantity
No. of data breaches, including leaks, thefts and losses of data	#	0

JGSHI implements cyber-security capability increase and preventive measures to ensure the security of confidential company data. As of to date, the Data Privacy Policy and Information Security (InfoSec) Policies applicable to the whole conglomerate are in place.

The Company established the Information Security Management Systems (ISMS) Policies that institutionalized information security as part of the Conglomerate’s enterprise risk management, protect the Company’s information assets and reputation, and to comply with relevant laws and regulations.

The ISMS consists of the following:

1. **Core Information Security Policies** drive the primary objectives of the ISMS: establish, maintain, and improve information security
  - 1.1. **Information Security Policy** aims to establish, maintain, and continuously improve the ISMS to protect information assets, maintaining competitive advantage and increasing stakeholders’ confidence.
  - 1.2. **Information Asset Management Policy** aims to define and classify information assets in both physical and electronic formats and provide guidance on how to appropriately handle information assets according to classification.

1.3. **Information Security Incident Management Policy** aims to mandate a structured approach in managing incidents that compromise corporate information and personal data of the business units' customers.

1.4. **Compliance Policy aims to ensure that Business Units comply** with applicable legal, regulatory requirements and contractual obligations, when conducting business activities.

2. **Organizational Policies** aim to establish Information Security organization, roles and responsibilities as well as accountability of those who have access to corporate information

2.1. **Information Security Internal Organization Policy** aims to establish the appropriate internal organization that ensure security of information assets

2.2. **Human Resource Security Policy** aims to protect the company's business interests by ensuring that employees and contractors understand and fulfill their roles and responsibilities to preserve information security before, during, and after employment

2.3. **Supplier Relations Policy** aims to mandate controls that protect information assets exposed to suppliers and preserve the integrity of supplier selection activities

3. **Access and Use Policies** enforce controls for access and authorization, as well as acceptable use of information assets

3.1. **Access Control Policy** aims to Implement adequate measures to regulate access to different information assets and facilities, ensuring that facilities and equipment are only accessed by authorized personnel

3.2. **Acceptable Use of Assets Policy** aims to ensure that employees understand how corporate assets should and should not be used, ensuring that the BU gets the most value out of its corporate assets and networks to avoid unintended security breaches.

3.3. **Physical and Environmental Security Policy** aims to protect corporate assets and information by mandating controls that prevent unauthorized physical access to company premises, as well as equipment that support business operations

3.4. **Mobile Device and Teleworking Policy** aims to establish rules for the use, management and security of all mobile devices that process company information and establish rules for conducting official business outside the work premises

4. **Operational Security Policies** refer to the implementation of technical controls to maintain the target level of security

- 4.1. Cryptographic Controls Policy aims to apply cryptographic controls (i.e. encryption) on confidential electronic information (e.g. files, databases), to add another layer of protection and prevent unauthorized use or disclosure.
- 4.2. Operations Security Policy aims to apply appropriate controls to ensure that day to day operations are carried out in a controlled and a secure manner.
- 4.3. Communications Security Policy aims to implement measures that will protect information as it moves both within the corporate network and outward.
- 4.4. Data Security Policy aims to implement measures to protect corporate information from possible loss and leakage, avoiding breaches to legal, statutory or contractual obligations.
- 4.5. Secure Development Policy aims to protect corporate information and minimize breaches by ensuring that information security is taken into consideration when developing or acquiring systems and services.

Regular and ad hoc exercises ensure the relevant teams practice cyber incident response and breach management procedures.

A 24/7 Security Operations Center was established in January 2020 to continuously monitor JGS' information assets and help protect the enterprise security baseline.

Corporate IT Audit conducts year-on-year assessments on JGS Information Security Office's programs and activities ensuring alignment to corporate policies, statutory and regulatory requirements and enterprise risk management

## Biodiversity

### Habitats Protected or Restored


	<b>Habitats Protected</b>	<b>Area</b>	<b>Description</b>
JGSOC	Wetland No. 8 in Boracay	1.8 Ha	JGSOC has partnered with DENR-BMB to rehabilitate and restore Wetland No. 8, a 1.8-hectare swamp and marshland located in Brgy. Manocmanoc in Boracay Island that is home to 39 species of trees and 20 faunal species of birds, fish, mammals and gastropods. Dubbed as <i>Para sa Atong Cagban Bobon Project</i> , JGSOC launched the initiative in July 2019 with the objective of restoring the environmental sustainability of Wetland No. 8 and prevent further degradation of its ecosystem, espousing a private-public sector collaborative approach with involvement of other stakeholder communities.
	Artificial reef in Batangas Bay	160 m <sup>2</sup>	The JGSOC Artificial Reef Project is located in a sandy area along the coastal zone of Barangay Simlong in Batangas City, near the JGSOC petrochemical complex. The artificial reefs function similarly to natural reefs, providing protection and habitat for a diverse range of marine life. Each artificial reef is a concrete block measuring approximately two (2) cubic feet. According to the latest monitoring survey of the faunal communities found at the sites, conducted last February 2021 by the Batangas Community Divers Seal, Inc (BCDSI), there have been positive changes in marine biodiversity in the area.
URC	URC-wide tree planting and nurturing activities	5,900 seedlings	URC-wide tree planting and nurturing activities were conducted across different sites identified to be with high biodiversity value.

Operational Sites affecting Biodiversity Protected Areas

	<b>Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</b>	<b>Protected Areas affected by Operations</b>	<b>International Union for Conservation of Nature (IUCN) Red List Species in protected areas affected by Operation</b>	<b>IUCN Red List Category</b>
JGSOC	JGSOC Batangas plant operates in a city-designated heavy industrial zone along Batangas Bay, along with several other industries such as the Batangas port, tank farms and depots, several power plants, food manufacturing facilities and other similar companies.	Batangas Bay is within a Key Biodiversity Area located in the Verde Island Passage	The company have no operations affecting the habitats of species listed in the IUCN red list of threatened species and national conservation list species.	n/a
URC	CMC Davao Flour Mill located in Km 10 Sasa, Buhangin District, Davao City, Davao del Sur is situated on the gulf's west coast. Davao City is among the four provinces that surrounds Davao Gulf which is listed by DENR-Biodiversity Management Bureau as Key Biodiversity Area	Davao gulf situated in the southeastern part of Mindanao is one of the priority conservation areas of the Sulu-Sulawesi Marine Ecoregion. It is a breeding and nursery ground for small and large species, with frequent sightings of whale sharks, dugongs and leatherback turtles, among the list of species cited in the Convention on the International Trade of Endangered Species (Source: WWF)	The company has no operations affecting the habitats of species listed in IUCN17 Red list species and national conservation list species.	n/a

## Supplier Accreditation

Execution of this policy is on a per SBU basis. JGSHI Corporate Procurement's role is to consolidate the output from SBUs into a central supplier data base and to provide the framework for policy development.

 JG SUMMIT HOLDINGS, INC.	CHAPTER	PROCUREMENT
	SECTION	SUPPLIER MANAGEMENT
	SUBJECT	SUPPLIER ACCREDITATION IMPLEMENTING GUIDELINES

### I. OBJECTIVES

1. To provide the implementing guidelines for the supplier accreditation in Corporate Center Units (CCU) and establish the roles of the appointed members of CCU Supplier Accreditation Team (SAT).
2. To implement the transfer of responsibilities of the Corporate Supplier Accreditation Team (Corp SAT) to the Corporate Center Units Accreditation Team (CCU SAT) in accordance with the approved policies on Supplier Accreditation per CORP – 5001.
3. To ensure compliance to the policy that the Company shall purchase only from duly accredited suppliers approved for accreditation by the appointed Business Unit (BU) or CCU Supplier Accreditation Team (SAT).

### II. SCOPE

This document outlines the procedures to be followed by the authorized CCU personnel or group engaged in procurement and accreditation transactions.

### III. RESPONSIBILITIES

Following are the responsibilities related to the Supplier Accreditation Implementing Guidelines:

1. **Strategic Procurement Group** shall be responsible for:
  - 1.1. Sourcing and pre-qualifying prospective Suppliers;
  - 1.2. Requesting duly completed Supplier Accreditation Application Form (SAAF) and corresponding supporting documents from the Supplier;
  - 1.3. Accomplishing the Proponent's portion of the SAAF and the Supplier Accreditation Rating Sheet;
  - 1.4. Endorsing the supplier accreditation application packages to the CCU SAT Coordinator; and
  - 1.5. Endorsing the newly accredited Suppliers to Aspen Central Data Management (CDM) Team for Vendor Code creation.
2. **Corporate Center Units Supplier Accreditation Team (CCU SAT)** shall be responsible for:
  - 2.1 Performing the final review and assessment to determine the approval or disapproval of the Supplier's accreditation; and
  - 2.2 Together with the Corporate Procurement Governance (CPG) Team, conducting investigation of endorsed cases that warrants suspension or debarment of a particular supplier.



<b>CHAPTER</b>	<b>PROCUREMENT</b>
<b>SECTION</b>	<b>SUPPLIER MANAGEMENT</b>
<b>SUBJECT</b>	<b>SUPPLIER ACCREDITATION IMPLEMENTING GUIDELINES</b>

3. **CCU SAT Coordinator** shall be responsible for:
  - 3.1. Performing initial review of the supplier accreditation application;
  - 3.2. Validating the submitted supplier documents, via available Government and Regulatory sites, as well as endorsing the same to CPG Team for validation through Dunn & Bradstreet;
  - 3.3. Endorsing the supplier accreditation application packages to the CCU SAT Members for review and disposition;
  - 3.4. Releasing the CCU SAT results and accreditation status;
  - 3.5. Maintaining the Vendor Master List; and
  - 3.6. Providing the same to the CPG Team on a monthly basis, for purpose of conglomerate-wide leveraging. Details shall include warranties, terms of payment and type of service.
  
4. **Corporate Procurement Governance Team** shall be responsible for:
  - 4.1. Validating the Supplier's data through Dunn & Bradstreet and providing information upon request of the CCU SAT Coordinator;
  - 4.2. Maintaining the central repository containing the conglomerate-wide Vendor Master List as well as the list of suspended/debarred Suppliers;
  - 4.3. Together with the CCU SATs, conducting investigation of endorsed cases that warrants suspension or debarment of a particular supplier.;
  - 4.4. Releasing of an Incident Memo in cases of a Supplier's suspension or debarment; and
  - 4.5. Endorsing all suspended/debarred Suppliers to Aspen CDM Team via Master Data Management Tool for system blocking.
  
5. **Corporate Internal Audit** shall be responsible for performing periodic audits to check and ensure compliance to this policy.

#### **IV. IMPLEMENTING GUIDELINES**

1. The Company shall establish a CCU SAT, with at least three (3) members representing various identified CCU groups appointed by the JGSHI President and CEO, capable of assessing the supplier's overall competencies.
2. CCU SAT may invite Subject Matter Experts (e. g. Technology, Engineering Team), who shall provide technical advice and assistance in assessing the supplier.





CHAPTER	PROCUREMENT
SECTION	SUPPLIER MANAGEMENT
SUBJECT	SUPPLIER ACCREDITATION IMPLEMENTING GUIDELINES

3. Supplier applying for accreditation shall comply with the company's mandatory documentary requirements, kindly refer to Supplier Accreditation Form containing the List of Supplier Accreditation Requirements.
4. Existing suppliers shall be required to submit updated documentary requirements for the following request:
  - 4.1. Request for Change Name; and
  - 4.2. Application to supply additional commodity
5. Rating and assessment of supplier's capability shall be documented using the Suppliers Accreditation Evaluation Sheet (SAES), and shall be approved by the CCU Head of the endorsing group and the CCU SAT.
6. The CCU SAT shall grant Regular, Conditional or One-Time Accreditation to the applicant supplier after careful deliberation.
7. CCU SAT may customize their accreditation rating system either by type of industry (Corporation, Cooperative, and Sole Proprietorship) or size of business transaction, which shall be subject to the approval of the CCU SAT Head.
8. Strategic Procurement Group shall provide an Endorsement Letter as attachment to the supplier accreditation application, for suppliers with below 75% rating. The Endorsement Letter shall be signed/approved by the following:
  - 8.1. Non-IT Suppliers - CCU Head of the endorsing group
  - 8.2. IT Suppliers - CCU Head of the endorsing group and the Chief Information Officer
9. Suppliers given a Regular and Conditional Accreditation status shall maintain a Robinsons Bank Account as a requirement for accreditation. Suppliers requesting to be exempted from such condition shall be covered by a justification memo prepared by Strategic Procurement Group and duly approved by Authorized Approver/s.
10. Strategic Procurement Group shall be responsible for endorsing the Vendor Code creation to Aspen Business Solutions, Inc. – Central Data Management (ABSI-CDM) for accredited external suppliers, including those identified not to be subjected for accreditation, i. e. Open List.

Note that Internal Suppliers, e. g. Employees Government Agencies and similar Institutions, shall be handled separately and will not form part of the responsibilities of Strategic Procurement Group.



CHAPTER	PROCUREMENT
SECTION	SUPPLIER MANAGEMENT
SUBJECT	SUPPLIER ACCREDITATION IMPLEMENTING GUIDELINES

11. Suppliers with a Regular Accreditation status from other BUs shall qualify to engage and provide the requirements of CCU, unless otherwise restricted or subject to additional requirements imposed by the other BU SAT.
12. Supplier Accreditation status shall be valid until revoked or suspended/debarred.
13. Investigation shall be conducted by the CCU SAT, with the assistance of the Corporate Procurement Governance (CPG) Team regarding the disposition of endorsed cases that warrants suspension or debarment of a particular supplier. This Joint Investigation Team shall coordinate with other BU SATs to inquire on the performance of the supplier under investigation.
14. CPG Team shall release an incident memo containing the background and the results of the investigation as well as the announcement of suspension/debarment. CPG Team shall consolidate all suspended/debarred Suppliers in a repository.
15. The decision on the Joint Investigation Team's shall be final and valid across all BUs within the Gokongwei Group of Companies.
16. CPG Team shall endorse suspended/debarred Suppliers to ABSI-CDM via Master Data Management Tool for blocking in the system.
17. Suppliers may request for reinstatement course through CCU SAT, if they have already satisfactorily resolved the cause of their suspension or debarment. CCU SAT shall inform CPG Team of such reinstatement.

-oOo

## Annex B

### Philippine SEC Sustainability Reporting for Publicly Listed Companies Content Index

DISCLOSURE	SECTION	PAGE NUMBER
Contextual Information	Our Company and our Sustainability Journey, About this Report	3, 4
<b>ECONOMICS</b>		
Economic Performance	Stakeholder Engagement, Sustainability Commitments, Shared Success, Risk Disclosure, EESG Performance Indices,	6-7, 10, 26-36, 80, 85, 88
Procurement Practices	Shared Success, EESG Performance Indices	30, 89
Anti-Corruption	Corporate Governance Policies, Risk Disclosure, EESG Performance Indices	70-75, 82, 85, 97-98
<b>ENVIRONMENT</b>		
Resource Management	Sustainability Commitments, Risk Disclosure, EESG Performance Indices	10, 82-84, 89-91
Energy consumption within the organization	Climate Action, EESG Performance Indices	15-22, 89-90
Water consumption within the organization	Resource Efficiency and Circularity, EESG Performance Indices	22-26, 91
Materials used by the organization	Resource Efficiency and Circularity, Risk Disclosure, EESG Performance Indices	22-26, 82-83,
Ecosystems and Biodiversity	Board Matters, EESG Performance Indices	57, 101-102
Environmental Impact Management	Sustainability Commitments	10
Air emissions	Climate Action, EESG Performance Indices	15-22, 90
Air pollutants	EESG Performance Indices	91
Solid and hazardous wastes	Resource Efficiency and Circularity, EESG Performance Indices	22-26, 89
Effluents	EESG Performance Indices	91
Environmental Compliance	Risk Disclosure	84
Non-compliance with environmental laws and regulation	EESG Performance Indices	90

DISCLOSURE	SECTION	PAGE NUMBER
<b>SOCIAL</b>		
Employee Management	Stakeholder Engagement, Sustainability Commitments, Employee Growth and Well-being, Risk Disclosure	7, 10, 37-50, 84
Employee data	EESG Performance Indices	92
Employee benefits	EESG Performance Indices	93-94
Employee training and development	Employee Growth and Well-being, EESG Performance Indices	45-48, 94
Labor-management relations	EESG Performance Indices	95-96
Diversity and equal opportunity	EESG Performance Indices	92
<b>Workplace Conditions, Labor Standards, and Human Rights</b>		
Occupational health and safety	Employee Growth and Well-being, EESG Performance Indices	37, 48-50, 96
Labor laws and human rights	EESG Performance Indices	93-94
Supply Chain Management	Stakeholder Engagement, Sustainability Commitments, Shared Success, Risk Disclosure, Supplier Accreditation	7, 10, 30, 83-84, 103-106
Relationship with Community	Stakeholder Engagement, Sustainability Commitments, Shared Success, Risk Disclosure	7, 10, 26-36, 82
Significant impacts on local communities	Shared Success	26-36
<b>Customer Management</b>		
Customer satisfaction	Stakeholder Engagement, Better Choices	8, 50, 53-54
Customer health and safety	Stakeholder Engagement, Better Choices	8, 50, 54-55
Customer privacy	Stakeholder Engagement	8
Data Security	Risk Disclosure, EESG Performance Indices	84, 98-100
<b>UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS</b>		
Product or Service Contribution to UN SDGs	Climate Action, Resource Efficiency and Circularity, Shared Success, Employee Growth and Well-being, Better Choices	16-19, 23-25, 27-30, 37-44, 50-53