

JG Summit Holdings, Inc.

2021 Sustainability Report in compliance with the SEC
Sustainability Reporting Guidelines for Publicly Listed
Companies

Contextual Information

Company Details	
Name of Organization	JG Summit Holdings, Inc.
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 presence in several regions in the Asia Pacific. A more detailed map of the company's geographic presence is available at https://www.jgsummit.com.ph/annualreport2020/where-to-play/#geographic-presence</p> <p>Subsidiaries</p> <ul style="list-style-type: none"> - Universal Robina Corporation (URC) has manufacturing facilities in the Philippines, Myanmar, Thailand, Vietnam, Indonesia, Malaysia, China; distribution facilities in Laos and Cambodia; and sales offices in Hong Kong and Singapore. - Cebu Pacific and subsidiary Cebgo, Inc. 2021 flight network covers 47 Philippine and 15 international destinations, spanning Asia, Australia, and the Middle East. Aside from operations in Manila Terminals 3 and 4, Cebu Air, Inc. also operates 33 outstations in the Philippines and 12 stations internationally. A list of Cebu Pacific sales offices is available at https://www.cebupacificair.com/pages/group-booking-and-sales - JG Summit Olefins Corporation (JGSOC), headquartered in Pasig City, operates its manufacturing plant in Batangas City. - Robinsons Land Corporation (RLC) has properties distributed in 50 cities and 12 municipalities in 30 provinces. - Robinsons Bank Corporation (RBank) and its subsidiary, Legazpi Savings Bank, have 189 branches in 42 provinces. Robinsons Bank also has 114 banking agents located in 33 provinces.
Report Boundary	<p>Unless otherwise specified in specific sections, this report shall cover JG Summit Holdings, Inc. (JGSHI) including its five strategic business units (or subsidiaries):</p> <p>Universal Robina Corporation</p> <ul style="list-style-type: none"> ▪ Branded Consumer Foods (BCF) Philippines and International ▪ Agro-Industrial and Commodities (AIC) ▪ Head Offices and Distribution Centers in Philippines <p>Cebu Air, Inc.</p> <ul style="list-style-type: none"> ▪ Cebgo, Inc. <p>Robinsons Land Corporation</p> <ul style="list-style-type: none"> ▪ Robinsons Malls ▪ Robinsons Offices ▪ Robinsons Hotels and Resorts ▪ Robinsons Residential ▪ Robinsons Industrial and Logistics Facilities ▪ Robinsons Integrated Developments <p>Robinsons Bank Corporation</p> <ul style="list-style-type: none"> ▪ Legazpi Savings Bank, Inc. <p>JG Summit Olefins Corporation</p> <ul style="list-style-type: none"> ▪ JG Summit Olefins Corporation ▪ JG Summit Petrochemical Corporation ▪ Peak Fuel

	<p>While our objective is to comprehensively report information, we continue to face challenges in data collection and validation given the multi-industry nature of our group.</p> <p>This report includes additional coverage versus 2020 but note that we continue to face limitations in scope and coverage. For transparency and to set the right context we have noted these in each of the sections.</p> <p>As we progress, we hope to add/expand scope and coverage in our succeeding reports.</p>
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.
Reporting Period	January 1, 2021 to December 31, 2021
Highest Ranking Person responsible for this report	<p>Renato Salud Senior Vice President Corporate Affairs and Sustainability</p> <p>Michael P. Liwanag Senior Vice President Investor Relations, Office of the Chief of Staff</p>

Materiality Process

With the understanding that sustainability is critical for the conglomerate, JGSHI Corporate Affairs and Sustainability started the conglomerate’s sustainability journey through the following steps:

Setting Objectives. Sustainability topics are first understood in the context of current societal needs during a GRI Standards Training and a series of Materiality Courses held in 2018 for more than 50 data handlers, supervisors, and managers across the group. These sessions helped widen the business perspective in the group across different functions, and identify what truly matters for the company and its stakeholders.

Identification and Categorization of Sustainability Issues. Publicly-listed companies in the group released their inaugural sustainability reports in 2018 (URC) and 2019 (RLC and CEB) in order to take an inward look at the issues affecting their respective industries and their business. Through the sustainability reporting exercise, sustainability is taken to management committee discussions. Data collection of non-financial data was also activated alongside the usual yearly financial data collection.

Stakeholder Engagement. To engage the group’s internal stakeholders, a Sustainability Leads Linked Team was created in 2018 to coalesce the key people that best understand the needs of the business units’ stakeholders. The same team drove the business units’ stakeholder engagement for their sustainability reports. Through the Sustainability Leads Linked Team, the business units are able to exchange best practices and communicate their needs in championing sustainability. JGSHI is also able to directly communicate to the business units its future priority areas around sustainability, and identify possible areas of synergy within the conglomerate’s ecosystem.

To engage JGSHI’s external stakeholders, Corporate Affairs and Sustainability works hand in hand with Investor Relations to capture investor expectations around sustainability.

Prioritization. In 2019, Corporate Affairs and Sustainability initiated a CEO-level roundtable to exchange priority areas and provide a platform for strategic discussion on conglomerate sustainability imperatives. In this initial meeting, the business units presented their respective five-year business strategy vis-à-vis their sustainability framework to show how sustainability is

integrated in their strategic plans.

In the same forum, the sustainability topics that are common across the group as well as those sought by critical stakeholders were presented to top management for review and prioritization. This was a result of the materiality exercise by each business unit.

After the CEO summit, the focus on sustainability was also articulated in our strategic planning process using the OGSM (Objective, Goals, Strategies, and Measures) framework. Given the COVID-19, which started in early 2020, the group revisited its OGSM in 2021 to take into account the risks and opportunities that were brought about by the pandemic. We have looked into the changing consumer habits and preferences, as well the evolving business landscape, and fortified our how-to-win strategies around Leadership and People Development, Customer Centricity, Digital Transformation and most especially, Sustainability.

Process Review. With a complete suite of inputs from the data owners all the way to CEOs, JGSHI started obtaining baseline data for the calendar year 2019 as basis for measuring performance on each of the material topics identified. The GRI Reporting Standards and the SEC Guidelines were closely followed. Aside from data, existing management approaches – from operational targets to corporate policies – are also captured to complete the picture of how JGSHI and its subsidiaries move to improve the performance in these areas.

An analysis of data gaps in each material topic was also done. With this complete understanding of where the group is, non-financial performance monitoring will be improved, and a more deliberate target setting will be done in the identified priority areas.

Sustainability Framework Update. JG Summit's Sustainability Framework summarizes the group's five Sustainability Focus Areas, where we are best positioned to deliver meaningful contributions to addressing our most pressing societal issues ultimately improving Filipino lives through generations.

This year, we enhanced the framework by mapping the specific actions and ambitions that are most strategic at the level of our operating companies. We ensured these actions are aligned to their core business strategy and have the potential to deliver meaningful value both to society and to the business.

We started the review by looking into our risks and enhancing our Enterprise Risk management. Aligning to the COSO framework, we anchored our Integrated ERM on our purpose and business drivers, and together with the subsidiaries, we identified risks to our business while ensuring Sustainability risks are integrated.

These risks underwent Assessment and Prioritization to pin down top risks for each subsidiary which would greatly impact the business. These gave us a better understanding and update on the subsidiaries' respective key focus areas along with key actions.

Respective focus areas from the SBUs were then consolidated and mapped against the current focus areas of JGS to see alignment and where updates are needed for the groupwide focus areas and key actions.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Units	Quantity
Direct economic value generated (revenue)	Million PhP	231,647
Direct economic value distributed:	Million PhP	236,974
a. Employee wages and benefits	Million PhP	24,828
b. Payments to suppliers, other operating costs	Million PhP	188,344
c. Dividends given to stockholders and interest payments to loan providers	Million PhP	16,662
d. Taxes given to government	Million PhP	7,121
e. Investments to community (e.g. donations, CSR)	Million PhP	19

Note: 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 year's 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.

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. About PHP 237 Billion flows back to society. Of this, 90% is distributed to suppliers and our employees to support livelihood in time of pandemic. Aside from this, our SBUs directly involve the communities where we operate. In 2021, PHP 19 Million was used to support communities.

Risks. JGSHI recognizes the potential gaps in internal processes such as non-collection of receivables, over/under/unbilled charges, incomplete disbursement documents, and overpayment to suppliers could compromise its capability to equitably flow the economic value to the right stakeholders. Corruption incidence when dealing with external parties could also disrupt the equitable flow of value. Additionally, external market forces such as fluctuations in prices of raw materials and foreign exchange rates, along with political, reputational and competition risks could affect the company's ability to meet its economic value generation target. These may be further aggravated by the uncertainties brought about by the Covid-19 pandemic, particularly on the recovery of our commercial operations that are directly impacted by the pandemic.

Management Approach for Impacts and Risks

Our business units have put in place mitigation plans to protect the business from the above-mentioned risks. These include operational improvements such as regular review and follow up for accounts receivables, training of employees on company procedures and policies, regular audits, ensuring that third party service providers understand the processes regarding billing, mitigating declining market value of assets, managing FOREX impacts, establish credit risk management policies, among many others. To address the challenges posed by the pandemic, we streamlined some of our business operations, managed costs and implemented strict health and safety protocols in the workplace consistent with regulatory standards. JGSHI also supported the country's pandemic response and reopening of the economy by assisting in the procurement, distribution and administration of vaccines.

Opportunities & Management Approach:

JGSHI also understands that non-financial risks could affect its bottom line, thus affecting its economic value distribution. Based on previously scoped risks, a more comprehensive approach at consolidating and understanding these risks is being done in the short to mid-term horizon. This will include risk identification from a non-financial standpoint of JGSHI as a parent company; development of mitigation plans and testing them; and integration to JGSHI's business continuity plan.

In 2020, as part of the group’s Enterprise Transformation Initiative, we have revisited JG Summit’s governance and organizational structures to ensure that these are designed to support the achievement of our long-term objectives and effective execution of the strategies we laid out — both at the portfolio level and the four enablers namely Leadership & People Development, Digital Transformation, Customer Centricity and Sustainability.

Specifically, we redefined the role of JG Summit as a holdings company and its parenting style vis a vis the different Strategic Business Units (SBUs). Foremost is to provide access to capital and resourcing. The parent can also add value to the SBUs by (1) becoming a Center of Excellence and providing new unique or expensive expertise that SBUs need but do not have, (2) driving cross-BU synergy by actively fostering cooperation between SBUs to share best practices, data and talent, and (3) providing meaningful oversight on risk and compliance. These are applied in varying degrees across the SBUs: for our more mature and core businesses, the parent’s role is focused on synergy creation; for growth businesses, it is strategic guidance; and for newly established business units, it includes functional leadership.

With this, we had to consequently evolve our corporate center organization to shift its focus to business results delivery, ecosystem leverage, as well as business and organizational sustainability. The current realities under the new normal also accelerated this transformation, which effectively reduced the JGS CEO’s direct reports from eighteen to only seven corporate center units (CCU) – the integrated Strategy Office, Digital Transformation and Corporate Services, Corporate Human Resources, Finance, Treasury, Corporate Affairs and Sustainability, and the General Counsel Group. Internal Audit remains to be an independent body directly reporting to the Board.

With the above in place, we established appropriate governance structures by forming and redefining teams into committees and councils composed of our senior leadership members across the group. This allows for greater collaboration, exchange of ideas, sharing of best practice and leverage on our thrust to create further value from our ecosystem.

For instance, we formed the Executive Leadership Council which is composed of CCU and SBU heads to facilitate strategic discussions including the oversight and project governance of priority initiatives within the group, creating an environment for collaboration, potential ecosystem synergies and approvals for investments, policies, etc. We have also put together a Strategic Investments Committee, which is tasked to deliberate, screen and endorse investment opportunities to the JG Summit Executive Committee and the Board. Lastly, we have also established a Promotions Committee, which shall instill a deliberate cadence and streamlined process for the advancement and appointment of the top leaders across the CCU and the SBUs.

Climate-related risks and opportunities

Governance

JGSHI has integrated climate-related risks in its current risk management processes, as explained in the Strategy and Risk Management sections below.

As the top management recognizes the importance of further qualifying climate-related risks in its operations, JGSHI Board, through Corporate Affairs and Sustainability, consolidates climate-related impacts of the company in order to identify opportunity areas for mitigation and reduction. Known climate-related impacts such as operational cost implications are managed directly by the business units.

The following committees were established to perform Sustainability related functions which includes those related to climate risks and actions.

Sustainability Leads Linked Team .

Since 2018, to foster collaboration and exchange of ideas within the conglomerate, a Sustainability Leads Linked Team was formed. This team is composed of representatives from each of the business

units who heads the sustainability function in their respective subsidiaries. The leads also serve as point of contact in understanding the needs and concerns of their business unit and their stakeholders. Representatives from business units, who comprise this team, share best practices and champion sustainability within their respective units. These representatives come from various functions such as investor relations, Corporate Strategy, Sustainability and Operations. Regular Sustainability Leads meetings are conducted to discuss needed support, challenges, future plans and possible synergies across our ecosystem.

Corporate Governance and Sustainability Committee

In 2021, the Corporate Governance and Sustainability Committee (CGSC) is constituted to oversee the development and implementation of Corporate Governance principles and policies and perform oversight functions on the Economic, Environmental, Social and Governance aspects of Sustainability. The CGSC shall 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.

On Sustainability, the CGSC will perform the following functions:

- a. Provide guidance and oversee policy-making on the Company's sustainability strategies, programs, initiatives and reports,
- b. Ensure overall Company support and alignment with appropriate standards and best practices on economic, environmental, social and governance (EESG) and sustainable development.; and
- c. Review and recommend to the Board for approval, the issuance and filing of JGSHI's Sustainability Report to the Commission and other government agencies.

Strategy

Addressing climate-related risks and opportunities is integrated in the group's strategic planning process. JGSHI's long-term strategy is aligned with its purpose of having an unrelenting commitment to providing our customers with better choices while creating shared success with our stakeholders. JGSHI believes that it will only truly succeed if its stakeholders, i.e., shareholders, business partners, employees and communities, succeed with the company. The company also lives by the value of Stewardship – We are fully responsible for the resources entrusted to us, be they financial, environmental, and people; We make sure that they are managed well and cared for, all with sustainability at the forefront. Thus, it is imperative for the group to closely look into how its stakeholders are affected and how the company contributes to climate-related risks.

As part of JGSHI's OGSM (Objective, Goals, Strategies and Measures), certain financial and non-financial goals have been defined, including climate-related goals. These goals guided the company and its subsidiaries in developing their business and sustainability strategies as JGSHI revisited its OGSM in 2021 in light of the COVID-19 disruption. This, together with the group's Sustainability Framework update, resulted in the refinement of JGSHI's key actions around its climate-related focus area, which includes measuring, monitoring and managing our Scope 1 and 2 GHG emissions, among others.

Risk Management

Amid the continuing pandemic, the looming climate crisis, and the fast-changing needs of our stakeholders, we at JGSHI acknowledge that viewing business risks and opportunities in the context of sustainable development challenges and megatrends is the way to remain relevant and successful. In 2021, we enhanced our Enterprise Risk Management process to better capture climate-related risk drivers and megatrends and ensure our business strategy is responsive to these factors.

As a group, we employed a bottom-up approach involving each functional unit of our operating companies to identify, assess and prioritize risks, and establish mitigation plans to address them. Top

risks identified at the functional unit's level were rolled-up to the enterprise level of our operating companies, and then to the JG Group enterprise.

Aware of our volatile, uncertain, complex, and ambiguous (VUCA) business environment, we put emphasis on critical, emerging, and systemic risks and drivers, including ESG risks and megatrends, to ensure that we manage them well and protect the interest of our stakeholders.

Metrics and Targets

Metrics. Metrics to measure JGSHI's performance around climate-related risks and opportunities are found in the Environment > Environmental Impact > Air Emissions section of this report.

Targets. JGSHI started baselining in 2019. In 2021, through our climate journey, we underwent an iterative process with our subsidiaries and partners to start defining our targets around climate action. We expect to disclose these targets in 2022.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Units	Quantity	Boundaries
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers ¹	%	48.00%	URC ² and JGSOC
		77.17%	CEB ³

Notes

1. JGSHI is still in the process of consolidating this data from all subsidiaries. The company aims to provide complete data in the next two years.
2. Includes procurement of direct materials (raw materials and packaging material) of BCF PH and BCF INT
3. Limited to non-aircraft purchases.

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. Supplier Accreditation contributes in achieving JGSHI's sustainability goals as the process helps 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.

Apart from the accreditation process, suppliers and contractors also undergo orientation on Company policies and ethical practices to ensure that all companies that JGSHI engages maintain the highest level of ethical standard for transparency as part of good corporate governance.

Risks. The accreditation process assesses and reduces the risks of poor-quality products and services, or late or non-delivery which may result into disruption in business operations. Moreover, supplier accreditation also helps maintain the integrity of the procurement process thus providing transparency.

Management Approach for Impacts and Risks

JGSHI's subsidiaries are enabled to comply with the Supplier Accreditation Policy. The policy defines the minimum standards to guide the subsidiaries in their supplier selection and accreditation process. In view of the intricacies of JGSHI subsidiaries operating in various industries, subsidiaries may further customize the accreditation criteria and parameters based on their requirements as long as compliant with the minimum standards set by JGSHI. Business units may observe more detailed accreditation

criteria on quality, reliability, timeliness, price competitiveness, etc. Moreover, they are responsible for performing the technical evaluations as their technical expertise puts them in the best position to assess the quality required to deliver their products and services. The subsidiaries also have their own Quality Management Systems to ensure good industry practices are implemented in their facilities. Regular testing is done on raw materials, in-process goods, and finished products to ensure product quality.

JGSHI engages best-in-class suppliers and service providers providing the best quality products and reliable services. These suppliers provide trainings and knowledge transfers to the company's employees, building in-house talents and capabilities.

The business units' Procurement Teams are also trained in Purchasing Ethics, Strategic Purchasing, and Supplier Relationship Management to overcome ethical dilemmas and make sound purchasing decisions without compromising the vendor-buyer relationship.

Opportunities & Management Approach:

JGSHI sees an opportunity in guiding our BU partners in tapping the local SME industry to reduce operational cost across the supply chain, without sacrificing the product and service delivery of its business units. JGSHI, in turn, could further boost local economic growth.

Local SMEs are currently subjected to the same BU accreditation policy, and are approved if they meet the set standards, while foreign suppliers that provide specific items such as aircraft are currently subjected to outsourced due diligence processes. There is no policy to preferentially accommodate local SMEs where it is applicable, however, this is something that can be considered by JGSHI.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Units	Quantity	Boundaries
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	%	100	This total accounts for new employees in JGSHI and subsidiaries 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.
Percentage of business partners to whom the organization's anti-corruption 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	Number of Board members and key officers	74	The Board of Directors were all on-boarded on the Anti-Corruption Policy of the Group. ¹
Percentage of employees that have received anti-corruption training ²	%	100%	

Notes:

1. The company organized an in-house Corporate Governance Training on October 15, 2021. The Anti-Corruption training session discussed in detail the definition of corruption, the laws, rules and regulations covering the said topic, and the Conflict of Interest Policy of the JG Group. The training session highlighted types of corruption such as Economic Corruption and Political Corruption, explained why anti-corruption compliance is important in the context of the JG Group, and discussed in detail the Conflict of Interest Policy and Code of Business Conduct of the JG Group in relation to the particular acts which are allowed and are not allowed under the said policies. The Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. Every Director receives an appropriate orientation when he/she is first appointed to the Board of Directors in order to ensure that incoming Directors are appropriately apprised of their duties and responsibilities before beginning their Directorships. The orientation program includes SEC-mandated topics on Corporation Governance and an introduction to the Company's business, Articles of Incorporation, and Code of Business Conduct and Ethics.
2. 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	Units	Quantity
Number of incidents in which directors were removed or disciplined for corruption	#	0
Number of incidents in which employees were dismissed or disciplined for corruption	#	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	#	0

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. Corruption could compromise JGSHI's ability to equitably distribute economic value to the right stakeholders. If rampant, it could erode a culture of integrity, transparency and trust that is necessary in ensuring collaboration between employees, innovation, and synergy between business units.

Risks. Any incidence of corruption could pose a reputational risk to JGSHI. This could affect the company in multiple ways such as reduction in share price and market share.

Management Approach for Impacts and Risks

JGSHI is committed to promoting fairness, accountability and transparency to all stakeholders. The Board sets the tone and makes a stand against corrupt practices by adopting anti-corruption policies and programs. Some of the Company's Anti-Corruption programs are embodied in the Code of Business Conduct and Ethics, Conflict of Interest, Offenses Subject to Disciplinary Action (OSDA), among others. The same are disseminated to all employees across the Company through trainings to embed them in the Company's culture. New employees are oriented regarding policies and procedures related to Business Conduct and Ethics and similar policies. All employees are given periodic reminders and these policies and programs are made available in the Company Website and Employee Portal for easy reference. Further, all concerned employees of the Conglomerate are required to comply with the Annual Self-Disclosure Activity.

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

The company also conducts an annual seminar for directors and officers on all our anti-corruption policies and the law, wherein real-life scenario workshops are also exercised.

The anti-corruption programs and procedures of the Company are summarized below:

- **Conflict of Interest** - The Company's Code of Business Conduct and Conflicts of Interest Policy require employees to make a conscious effort to avoid conflict of interest situations; that his judgment and discretion are not influenced by considerations of personal gain or benefit. A conflict of interest may also occur because of the actions, employment, or investments of an immediate family member of an employee.
- **Conduct of Business and Fair Dealings** - The Company's employees that recommend, endorse, or approve the procurement or sale of goods and services should make a conscious effort to avoid any conflict of interest situation in transactions that they are involved in.
- **Receipt of Gifts from Third Parties** - The Company discourages the acceptance of gifts. However, gifts like advertising novelties maybe given or accepted during the Christmas season. There is no restriction in the value of the gift accepted. However, accepted gift with estimated value over Php2,000.00 must be disclosed to the Conflicts of interest Committee
- **Compliance with Laws and Regulations** - The Company ensures that all transactions comply with relevant laws and regulations. Any deficiencies are immediately rectified.
- **Respect for Trade Secrets/Use of Non-public Information** - The Company has policies that ensure proper and authorized disclosure of confidential information. Disclosures to the public can only be done after the disclosure to SEC and PSE by the Company's authorized officers.
- **Use of Company Funds, Assets and Information** - Employees are required to safeguard the Company resources and assets with honesty and integrity. Employees must ensure that these assets are efficiently, effectively, and responsibly utilized.
- **Employment and Labor Laws and Policies** - The Company ensures the observance, strict implementation and compliance with employment and labor laws and policies with regards to recruitment, employment, retention and benefits of the employees.
- **Disciplinary Action** - Violation of any provision of the Code of Business Conduct may result to disciplinary action, including dismissal and reimbursement for any loss to the Company that

result from the employee's action. If appropriate, a violation may result in legal action against the employee or referral to the appropriate government authorities.

- **Whistleblowing** - The stakeholders may discuss or disclose in writing any concern on potential violation of the Code of Business Conduct with the Conflicts of Interest Committee (CICOM).

Once the team receives the report, a preliminary evaluation of the validity of the raised concern is performed before doing further investigation. If the concern raised is specific to a business unit and was approved for further investigation, the team will reach out to the president/human resources/internal audit of the business unit to communicate the recommendation made by the JGS CICOM. At this point, the investigation will be handled by the concerning business unit already. If the concern raised is not specific to a business unit, the JGS CICOM will utilize the Company's resources from the various groups in investigating the veracity of the report and coordinate with the relevant groups with respect to the conduct of administrative investigations and/or the filing/prosecuting the necessary cases in relation to said report.

The whistleblowing policy disclosed is still subject for revision. To strengthen our corporate governance practice, we continue to improve our framework for whistleblowing to promote the freedom of our stakeholders in disclosing observations on non-adherence to company values and policy.

Additionally, we have different platforms provided for use of our employees and external stakeholders. Our traditional reporting channels include email (CICOM@jgsummit.com.ph), and mailing address (CICOM JG Summit Holdings, Inc. 40/F RET). We also recently developed a digital platform tool called i-Speak where employees and external stakeholders can freely and securely disclose their concern. The form includes guide questions to help the whistleblower articulate better the incident of concern in order to help in the preliminary evaluation. All of these channels are available 24/7.

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 CICOM.

The Company commits to protect those who report in good faith from any form of retaliation (e.g., harassment, informal pressures, threats, etc.). It will take the necessary and appropriate action against an employee who has engaged in retaliatory conduct in violation of the Policy.

- **Conflict Resolution** - The Conflicts of Interest Committee (CICOM) submits recommendations on the course of action to be taken in conflicts of interest situations and ensures the appropriate reporting thereof to the SBU/BU President and CEO, JG Company President and CEO and Audit, RPT and Risk Oversight Committee (AURROC), as may be necessary.

Opportunities & Management Approach:

JGSHI sees an opportunity in developing platforms where updates in anti-corruption policies can be cascaded internally, through retraining and numerous communication channels. There is also an opportunity to evaluate the effectiveness of JGSHI's anti-corruption policies and programs, especially the channels through which complaints may be filed.

The annual seminar was started in 2020, and we have enhanced its robustness and frequency by expanding the attendance to the seminar to employees, officers and directors with updated changes and inputs that have made the seminars and policies richer.

ENVIRONMENT

Given the breadth and depth of our operations, we continually expand the scope of the report in 2021. For instance, compared to the previous report where URC's scope was for BCF-PH, BCF-INT and Flour, this report now includes BCF-PH, BCF-INT, Flour, SURE, AIG, head offices and distribution centers.

Furthermore, 2021 remains to be a peculiar year driven by the impact of COVID situation to the economy thereby influencing our environmental data.

Resource Management

Energy consumption within the organization¹

Disclosure	Units	Quantity	Boundaries
Energy consumption (renewable sources) ²	GJ	994,964	URC and RLC
Energy consumption (gasoline) ³	GJ	22,690	URC, RLC, CEB, JGSOC and RBank
Energy consumption (LPG)	GJ	641,293	
Energy consumption (diesel) ³	GJ	465,508	
Energy consumption (bunker)	GJ	4,510,572	
Energy consumption (coal)	GJ	2,659,573	
Energy consumption (CNG)	GJ	316,239	
Energy consumption (LNG)	GJ	104,037	
Energy consumption (jet fuel) ⁴	GJ	5,850,320	
Energy consumption (electricity) ⁵	GJ	2,545,792	

Notes:

- Quantities reflect increase in scope in energy data. Total fossil fuel consumed for 2021 is lower than pre-pandemic levels (2019).
- Energy consumed from energy generated from solar panels installed and electricity from Renewable Energy Suppliers consumed on select RLC properties; and solar energy, biomass/biogas energy and electricity from Renewable Energy Suppliers consumed by URC (BCF-PH, BCF-INT, Flour, SURE, AIG)
- Includes consumption from operations and vehicle use
- Aviation fuel used to power aircraft of CEB
- Does not include electricity sourced from Renewable Energy Suppliers

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. JGSHI recognizes that the use of electricity from conventional coal-fired power plants and other fossil fuels have an impact on the environment in terms of greenhouse gas emissions and air pollutants.

Risks. Energy is critical to the value creation of JGSHI. The company recognizes the risks to energy insecurity due to increased competing demands from energy-intensive sectors, including domestic consumption. The company also recognizes that energy generation from traditional sources can create negative impacts to air quality, health, and may contribute to climate change. Overdependence on fossil fuels also exposes the country to fluctuations in energy prices, which may have financial implications to our business. Hence, in JGSHI, companies are moving towards sourcing energy from renewable sources and renewable electricity providers whenever appropriate and viable.

Management Approach for Impacts and Risks

JGSHI, as a conglomerate, promotes energy efficiency and improved utilization of energy sources among its subsidiaries. It enables its subsidiaries to measure, monitor and implement respective energy reduction targets to address individual operational challenges.

Specifically, CEB manages its operational efficiency and closely tracks its fuel consumption, hence, has put in place a fuel management and fleet expansion plan to increase overall fuel efficiency.

URC continuously implements LEAN Manufacturing methodology under their Supply Chain Transformation strategy which aims to lower production downtime, reduce waste, minimize GHG emissions, and optimize their use of natural resources.

Opportunities & Management Approach:

JGSHI’s business units take advantage of their facilities and materials to produce and/or consume clean energy whenever possible and promote energy efficiency. JGSHI will also review the possibility of increasing energy reduction targets on a per SBU basis. To further divert from using electricity from conventional power plants, the company is exploring opportunities in retail electricity supply agreements as the prices of purchased clean energy becomes more economical.

Water consumption within the organization¹

Disclosure	Units	Quantity	Boundaries
Water withdrawal	m ³	27,787,228	CEB, RLC, JGSOC, RBank and URC
Water consumption	m ³	20,803,198	
Water recycled and reused ²	m ³	1,167,351	CEB, JGSOC, and URC

Notes:

1. Quantity reflects increase in scope in water data.
2. Quantity reflects increase in water recycling and reuse programs.

Impacts and Risks: Where they occur, JGSHI’s involvement, stakeholders affected

Impacts. Water consumption impacts the water supply of communities adjacent to where some subsidiaries operate. Conserving water is important not only to reduce operational costs but also in being mindful of the company’s impact to communities and the local ecosystem, both of which derive their water from the same sources as JGSHI’s business units derive theirs.

Risks. Water is an essential component in many of JGSHI’s operations. The Company recognizes risks to water shortages due to increased competing demand from agriculture, energy, industrial, domestic, and other sectors. El Niño and climate change also play a role. JGSHI’s business units may be exposed to these risks as they operate across several regions in the Philippines, a few of which may be located in water stressed areas.

Management Approach for Impacts and Risks

Wastewater recycling systems and rainwater harvesting units are running in the facilities of most business units. Monitoring protocols are in place for some business units to track how much water is being saved in order to scale up efforts. Water is withdrawn from different sources wherein the maximum allowable extraction rate is followed. Investments are also made to equip facilities with water saving fixtures and wastewater treatment systems. In JGSOC, a desalination system is used to process seawater which provides the cooling water and potable water for various requirements of the complex.

Opportunities & Management Approach:

There is an opportunity to further reduce water consumption for JGSHI’s business units by improving monitoring of water usage. Technologies such as rainwater harvesting, water catchment, and impounding can be applied in more areas of operations. Increasing usage of recycled water can allow lesser usage of unrecycled or virgin water. URC, in particular, rolled out LEAN Manufacturing to all Philippine facilities to drive the reduction of their water use ratio. Other business units may opt to follow suit if applicable for their needs.

Materials used by the organization¹

Disclosure	Units	Quantity	Boundaries
Renewable materials ²	tonnes	2,127,735	URC, RLC, JGSOC and RBank
Non-renewable materials ³	tonnes	1,150,809	
Percentage of recycled input materials used to manufacture the organization's primary products and services ⁴	%	5.96	URC

Notes:

1. Quantities reflect increase in scope in materials data.
2. Includes coffee spent grounds, spent tea leaves, bagasse, spent wash, molasses, chicken manure, pit dung in URC, as well as, paper use in RBank.
3. Includes, but not limited to, construction materials from RLC, as well as URC's re-grind PET bottles reused to mix with virgin resin for bottle making
4. Percentage of recycled input materials is computed as the amount of re-grind PET used as feedstock divided by the total input materials (virgin resin + re-grind PET)

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. Effective use of these materials reduces both costs and the GHG emissions created in their production for all business units.

Risks. JGSHI's subsidiaries are dependent on raw materials to process and deliver its products and services. The company recognizes that the unchecked use of both renewable and non-renewable materials can lead to material scarcity in the long run. Scarce materials become more expensive which could have significant financial implications to our business. Extracting materials is energy intensive. It also impacts biodiversity and disrupt natural biogeochemical cycles. These may have an impact on the livelihood and quality of life of surrounding communities.

Management Approach for Impacts and Risks

JGSHI's business units take responsibility in measuring material consumption and intensity to monitor the scale of our activities. The company works with service suppliers and engineers to ensure that facilities and processes are all sustainably optimized in terms of material usage.

For its manufacturing processes, JGSOC uses best-in-class technologies that are known for their safety, environment-friendliness, efficiency, simplicity, operational stability, cost-effectiveness and versatility. For its products, design of products with eco-efficiency as framework, and reduction of raw material usage without compromising safety, quality and performance are guiding principles. And for its waste, responsible management of internal waste, and partnership with various stakeholders to advocate solid waste management are espoused.

URC focuses on finding solutions that lead to seamless and efficient operations. The responsible use of natural resources — intrinsic to our business — entails that we minimize our environmental impacts and optimize synergies where possible, whether in the careful sourcing of raw materials from select suppliers, or in the proper use, reuse, or disposal of these same materials and the material by-products generated from our operations.

Upcycling: URC's commitment to quality usually entails rejecting packaging materials that do not pass inspection; however, small the blemish or dent. Added to which, scrap plastics remain after the materials have been cut and folded or shaped into the desired packaging. Rather than dispose of these materials in a landfill, URC has found ways to reincorporate them into new products. For one, URC's scrap polyethylene terephthalate (PET) material – including bottle rejects – is grounded into PET flakes and mixed with virgin PET resin to create new containers. We only upcycle materials within our system to ensure that the products are clean and don't impose a threat towards safety and quality.

Opportunities & Management Approach:

There are opportunities to design better facilities, extract resources using better technology, and incorporate the use of recycled materials that JGSHI can take advantage of by ensuring that the company keeps abreast of the latest information and applying them across business units when ready. Additionally, there are opportunities for circularity in terms of creating and reinforcing material loops within and among business units.

Ecosystems and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units	Boundaries
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	1	-	JGSOC Batangas plant operates in a city-designated heavy industrial zone along Batangas Bay, along with several other industries such as the Batangas port, a refinery, several power plants, food manufacturing facilities and other similar companies. Batangas Bay is within a Key Biodiversity Area located in the Verde Island Passage
	12.548	Ha	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)
Habitats protected or restored	1.8	Ha	JGSOC Wetland No. 8 in Boracay;
	160	m ²	Artificial reef in Batangas Bay
	7,699	Seedlings	URC-wide tree planting and nurturing activities were conducted across different sites identified to be with high biodiversity value.
IUCN Red List species and national conservation list species with habitats in areas affected by operations	(list)	-	The company has no operations affecting the habitats of species listed in IUCN17 Red list species and national conservation list species.

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. Any irresponsibility in terms of business operations within or adjacent to high biodiversity areas can lead to a scarcity of food and materials, displacement of indigenous peoples and local communities, and reemergence of diseases due to imbalances in animal populations such as insects or bats. Businesses can influence how key biodiversity areas are managed.

Risks. Although located in an industrial zone within the city fronting Batangas Bay, JGSOC recognizes that operations without mitigating controls could have adverse impacts on the marine ecosystem, which could lead to regulatory and social license implications against the Company. As such, JGSOC strictly monitors and maintains all facilities and machinery to ensure compliance to all applicable laws and standards.

URC recognizes that changes in the biodiversity and ecosystems can pose significant threats to the flora, fauna and the people which might result in notable risks such as habitat loss, displacement of species, coral bleaching, and development of diseases in the local communities due to disturbances in ecosystem. This might also affect the business operations in various ways such that day-to-day activities might be delayed and halted.

Management Approach for Impacts and Risks

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 Para sa Atong Cagban Bobon, JGSOC launched in July 2019 the initiative aimed to restore the environmental sustainability of Wetland No. 8 and prevent further degradation of its ecosystem, espousing a private-public sector collaborative approach with active involvement of other stakeholder communities.

For 20 years, JGSOC has been maintaining a marine biodiversity project along the Brgy. Simlong coast in Batangas Bay. To date, JGSOC has deployed a total of 463 artificial reef blocks that cover an area of 160 square meters. Based on the latest monitoring survey of the faunal communities of the area conducted in last February 2021 by the Batangas Community Divers Seal, Inc. (BCDSI), marine diversity continues to flourish. Fish species richness, abundance and biomass were consistent, and hard coral colonies were diverse and growing. The variety and density of the fish and benthic organisms found on the area clearly demonstrates the potential of artificial reefs in enhancing otherwise featureless sandy habitats, which presents more opportunities for local fishermen and increased tourism in the area. The communities living in the area also helped JGSOC in the protection and preservation of the artificial reefs.

URC acknowledges that our business has impact on the biodiversity and surrounding ecosystem. Therefore, it is our responsibility to comply with all the environmental laws to ensure that employees, surrounding communities, and the environment, are not exposed to any unnecessary amount of hazard due to our business operations. In addition, it is our corporate social responsibility to conduct programs and activities that support conservation efforts, biodiversity preservation, and ecosystems protection.

To strengthen the company's commitment in safeguarding natural resources, URC conducts company-wide environmental stewardship initiatives such as reforestation programs, coastal, river, and drainage clean-up drives, and mangrove planting activities. In 2021, 7,699 seedlings were planted across different sites in partnership with LGU and DENR Municipal Environment and Natural Resource Office (MENRO) / Community Environment and Natural Resources Office (CENRO).

In support to the Expanded National Greening Program (NGP) stated in Executive Order 193, SURE URSUMCO and PASSI have signed MOA with DENR CENRO to Adopt-a-Forest of 3 Ha in Tanglad, Manjuyod, Negros Oriental and 5 Ha in San Enrique, Iloilo. This partnership will rehabilitate the forest/watershed identified by DENR through establishment of seedling and plantation nursery as well as conducting maintenance and protection activities in 3 years. In addition, back-to-back coastal and river cleanup drives were also conducted by SURE and Flour while BCF ESMO conducted an adopt-a-creek program in partnership with their respective LGUs and MENRO/CENRO.

Opportunities & Management Approach:

The management of biodiversity areas provides increased opportunity for business units to share monitoring data to civil and scientific groups and cooperate with indigenous or local communities for community-driven conservation efforts thereby increasing social license to operate. There is also an opportunity to manage biodiversity areas with internationally recognized identifications thus increasing the good reputation among business units.

URC recognizes that there is a need to integrate biodiversity and ecosystems management into the business’ policies, strategies, and operational processes. In addition, there is still a need to expand the company’s conservation efforts and improve the programs and activities that promotes biodiversity and ecosystems protection. These will raise awareness among the employees through shared activities to protect the ecosystems. There is also the chance to build a strong relationship and camaraderie with the local communities, government agencies, and LGUs.

Environmental impact management

Air Emissions

GHG¹

Disclosure	Units	Quantity	Boundaries
GHG Emissions²			
Direct (Scope 1) GHG Emissions	tonnes CO ₂ e	1,479,011	URC, RLC, CEB, RBank and JGSOC
Energy indirect (Scope 2) Emissions	tonnes CO ₂ e	290,042	
Other substances			
Emissions of ozone-depleting substances (ODS) ³	tonnes	26.69	URC (BCF-PH only)

Notes:

1. Quantities reflect increase in scope in GHG data. Total GHG emissions for 2021 is lower than pre-pandemic levels (2019).
2. The total greenhouse gas emissions of JGSHI is calculated using the equity approach as recommended by the GHG Protocol Corporate Accounting and Reporting Standard.
3. ODS data covers refrigerants consumed by plants which include 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.

Impacts and Risks: Where they occur, JGSHI’s involvement, stakeholders affected

Impacts. GHG emissions from all of JGSHI’s business units contribute to the overall amount of greenhouse gases sourced from anthropogenic activity which is the single most significant driver of climate change.

Risks. Tracking GHG emissions helps the company better understand its contribution to climate change. This also affects the company’s assessment of its climate-related risks. The efficient usage of electricity and fuel reduces operational costs for all business units.

Management Approach for Impacts and Risks

CEB: As an airline company offering both domestic and international flights, a majority of JGSHI’s emission comes from the subsidiary CEB. To manage this, CEB closely tracks its fuel consumption and has set up a fleet expansion plan that would increase CEB’s aircrafts fuel efficiency by transitioning to modern, fuel-efficient aircraft that reduces fuel burn to at least 15% per ASK (Available Seat Kilometers). New planes are bigger and fitted with more seats, allowing CEB to grow its customer base without increasing the number of flights. Although for 2021, due to COVID pandemic, travel restrictions and low travel demand affected the GHG emissions intensity per passenger kilometer since flights are not filled to full capacity. Average annual gCO₂/pk for 2021 is recorded at 84.38 gCO₂/pk.

URC: To integrate the broader goal of URC in achieving net zero target by 2050, the company signed an agreement with renewable energy producers to supply 20 of its facilities with geothermal, solar and hydro energy. These include our manufacturing sites in Pasig City, Laguna, Cavite, Pampanga, Antipolo and Bulacan, as well as facilities in Cebu and Negros Occidental. This will significantly reduce our GHG

emission estimated around 160,000 tonnes of CO₂. In 2021, the company started to purchase its electricity from geothermal source to its BCF – Bagumbayan facility procuring around 6,000 GJ of electricity.

Consequently, URC continues to expand its utilization of renewable energy from our owned power generation facilities. In the Philippines, BCF Canlubang is operating solar panels up to 1 megawatt while Vitasoy facility in San Fernando, Pampanga generates up to 21 kilowatts. Internationally, BCF Thailand subsidiary has finished installing solar panels on six factories and four warehouses at its compound in Samut Sakhon province, southwest of Bangkok. The solar panels can generate an estimate of 6 megawatts of power. In 2021, the company generated a total of 12,500 GJ of energy from BCF Canlubang and BCF Thailand solar power project equivalent to estimated 1,500 tonnes of CO₂.

RLC: Since the business unit’s biggest emissions come from indirect emission from purchased electricity, the options for emission reduction is limited to choosing where to buy power while ensuring efficiency is continually improved. One initiative is installation of solar rooftop where impacts are measured to reduce Scope 2 emissions. Most of the emissions that occur in RLC’s facilities are contributed by its suppliers. In 2019, RLC has started collecting consumption data from its suppliers. The same data will be used to map the strategies that will be implemented in partnership with suppliers to reduce overall emissions at the construction stage.

Opportunities & Management Approach:

JGSHI subsidiaries such as URC and RLC have identified opportunities where they can use renewable energy in the operations, such as biomass and solar. JGSHI can further explore opportunities to influence power generation facilities to provide more competitive prices for renewably produced energy.

Air pollutants

Disclosure	Units	Quantity	Boundaries
NO _x	Tonnes	464.65	Emissions from CEB aircraft, and boilers from URC (BCF PH)
SO _x	Tonnes	216.80	
Persistent organic pollutants (POPs)	Tonnes	N/A	no available data
Volatile organic pollutants (VOCs)	Tonnes	N/A	
Hazardous Air Pollutants (HAPs)	Tonnes	N/A	
Particulate Matter (PM)	Tonnes	28.63	URC (BCF PH)

Notes:

- All stationary, mobile, and vehicular equipment of JGSHI subsidiaries undergo mandatory emission testing as required by DENR and LTO.
- Quantities reflect increase in scope in Air pollutants data. Air pollutants data for 2021 is lower than pre-pandemic levels (2019).
- URC data covers information from air pollution sources equipment (APSE) specifically from the boilers of BCF-PH with air emission test results 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. Per National Emission Standards for Source Specific Air Pollutants, their emission test result is within the set standard of DENR EMB.

The topic on air pollutants is relevant for JGSHI’s business units. JGSHI ensures that the company complies with the standards set forth by the Department of Environment and Natural Resources through the Clean Air Act.

Impacts and Risks: Where they occur, JGSHI’s involvement, stakeholders affected

Impacts. Air pollution can impact the health of both employees of all business units and the public thereby decreasing productivity of the population.

Risks. Monitoring air pollutants from vehicles is important as it could impact the health of surrounding communities where our employees also live. The company also recognizes that employee productivity could be compromised if affected by health problems due to air pollution. Efforts toward ensuring compliance are currently being implemented so as not to pose risks on the company’s social license to operate.

Management Approach for Impacts and Risks

JGSHI complies with the standards mandated by the Clean Air Act. Gensets, fuel-burning vehicles, and other machinery used by all business units are regularly maintained and checked to ensure there are no leakages and potential air pollutants are reduced to levels not detrimental to health and the environment.

Opportunities & Management Approach:

Improving the efficiency of JGSHI's subsidiaries' processes via better technology and management approaches can provide continuous opportunities to offset our air pollution.

Solid and Hazardous Wastes

Solid Waste¹

Disclosure	Units	Quantity	Boundaries
Total solid waste generated	tonnes	3,158,251	URC ¹ , RLC, CEB, JGSOC and RBank
Recyclable	tonnes	990,326	
Composted/Biodegradable	tonnes	2,134,500	
Residuals	tonnes	33,425	

Note:

1. Quantity reflects increase in scope of solid waste data.

Hazardous Waste¹

Disclosure	Units	Quantity	Boundaries
Total weight of hazardous waste generated ²	Kg Liters	3,149,620 37,568	URC, RLC ³ , CEB, JGSOC and RBank
Total weight of hazardous waste transported ²	Kg Liters	2,890,015 15,295	

Notes:

1. Quantities reflect increase in scope in Hazardous waste data. Hazardous waste generated in 2021 is lower than pre-pandemic levels (2019)
2. JGSHI and subsidiaries follow the definition of hazardous waste as per DENR Administrative Order (DAO) 2013-22 Revised Procedures and Standards for the Management of Hazardous Wastes. It is defined as substance that are without any safe commercial, industrial, agricultural or economic usage and are shipped, transported or brought from the country of origin for dumping or disposal into or in transit through any part of the territory of the Philippines. It includes by-products, side products, process residues, spent reaction media, contaminated plant or equipment or other substances from manufacturing operation sand as consumer discards of manufactured products which present unreasonable risk and/or injury to health and safety and to the environment. Wastes are kept monitored and secured in the facility until such time it is scheduled to be transported for treatment by the licensed transporter and treater of the DENR
3. Covers hazwaste data from CCD, OBD, Residences and RHR only

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. JGSHI ensures that the waste generated by each of their business units are properly treated or disposed of. The company recognizes that improperly handled waste can result in regulatory sanctions for all business units.

Risks. JGSHI recognizes that leakages in the waste management system could create a variety of hazards, from being a source of odor and aesthetic nuisance to being a source of ecosystem contamination. There is a need to ensure that third-party contractors do not resort to unlawful discharges of hazardous wastes which could potentially pollute the water table and affect the drinking water supply of many communities living within the vicinity. Moreover, these could result in fines or sanctions for business units. Other stakeholders that may be affected include the government, waste pickers, and the environment.

Management Approach for Impacts and Risks

JGSHI’s SBU’s manage hazardous waste in compliance to local government regulations and their social responsibilities within the communities where they operate. Waste haulers are properly screened to ensure that they are DENR accredited before their services are engaged. Designated staff, pollution control officers, and key employees are trained and tasked to manage waste in all aspects including facilities, equipment, and employee engagement. Hazardous waste is transported and treated by DENR accredited services. Hazardous waste kept on site are ensured to be in proper holding systems.

With increasing awareness on the issue of marine litter, RLC sees an opportunity to be part of the solution and position their properties to have the best waste management system in the country. We are currently improving their waste management system by working with merchants to replace non-recyclables with recyclables to reduce total residual wastes that are more difficult to manage. We are also working with recyclers to link them with their waste collectors to ensure the recyclable waste they generate is recycled. We are also exploring ways to process their biodegradable waste into compost or energy to reduce the total waste sent to landfills. We are piloting the system in their two malls and if proven to be successful it will be scaled-up to all our malls and properties. Moving forward, this will give us an opportunity to collaborate with the LGU, innovate on waste flows, and provide training opportunities to staff and learning opportunities to customers. RLC is continuing to process and will create a property-wide manual for Solid Waste Management in 2021.

URC started their waste profiling using Waste Analysis and Characterization Study (WACS) to push towards zero waste to landfill as well as to extract more value from waste for circular economy purposes. For BCF PH, they already started monitoring the waste to landfill.

URC also established the Plastic Committee Workstream, a committee composed URC leaders who are tasked to develop initiatives, programs and projects to address the threats, impacts and risks of waste issues to the business. Correspondingly, the company conducted GREEN WAR Games in 2021, a solid waste workshop with participation from URC leaders intended to strategize the company's response to the threat of solid waste pollution and potential regulatory risks to the business.

Opportunities & Management Approach:

Proper waste management not only encourages cost-efficiency, but also ensures sanitary operations. Ensuring proper waste management affords each SBU the opportunity to maintain high standards in safety as well as ensuring local government and community approval. Furthermore, increasing pressure to clean up marine litter provides JGSHI’s business units the opportunity to look at their waste management systems to see how segregation and recovery can be improved. The company can seek out collaborative projects on waste management that include community engagement and linking with local recyclers to seize opportunities in scaling up partnerships with these stakeholders. Some business units have pilot projects that target each component of the solid waste that they produce in order to reduce, recover, or upcycle waste as much as possible.

Effluents

Disclosure	Units	Quantity	Boundaries
Total volume of water discharged ¹	cubic meters	6,984,030	URC, CEB, RLC, RBank and JGSOC
Percent of wastewater recycled	%	17%	CEB, JGSOC and URC

Note:

1. Quantity reflects increase in scope of water data.

Impacts and Risks: Where they occur, JGSHI’s involvement, stakeholders affected

Impacts. Effluents can contaminate water supply if ineffectively treated or improperly disposed.

Risks. The Company recognizes that discharge of untreated wastewater adversely affects the environment through increased load of Biological Oxygen Demand (BOD) and Chemical Oxygen Demand (COD), and other water pollutants in receiving bodies of water. This impacts the delicate ecosystem balance that fosters biodiversity and productivity. It contributes regulatory and social acceptability risks to the Company.

Management Approach for Impacts and Risks

JGSHI’s business units have wastewater treatment facilities to treat effluents before discharging them. Business units also employ the use of recycled water and rainwater harvesting when possible. Conservation efforts by improving employee practices are also practiced within business units.

Opportunities & Management Approach:

JGSHI sees an opportunity in upgrading water facilities through more comprehensive water metering.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Units	Quantity
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	PhP	No material fines or penalties
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	#	
No. of cases resolved through dispute resolution mechanism	#	

NOTE: The company or any of its subsidiaries is not a party to, and its properties are not the subject of, any material pending legal proceedings involving fines or non-monetary sanctions that could be expected to have a material adverse effect on the Company’s financial position or results of operations.

Impacts and Risks: Where they occur, JGSHI’s involvement, stakeholders affected

Impacts. Any sanctions can impact JGSHI’s business units if they remain unresolved through fines, litigation, or reputational risks. JGSHI recognizes that environmental compliance is important to ensure that affected stakeholders including employees, surrounding communities, and the environment are not exposed to an unnecessary amount of hazard due to our business operations.

Risks. JGSHI acknowledges that environmental compliance should be part of its day-to-day operations. Non-compliance with any environmental law or regulation could have financial implications to the business from fines and stoppage of operations.

Management Approach for Impacts and Risks

Compliance to environmental laws is non-negotiable across all business units. Each allegation is thoroughly examined and negotiated. Necessary action points are employed at each stage of the process. Business units monitor and maintain all facilities and machinery to ensure that they are in accordance with standards and laws. Additionally, business units have a dedicated team to ensure compliance.

Opportunities & Management Approach:

Improving in-house audits and other internal capabilities can mitigate the risk of non-compliance. Investing in training and monitoring capabilities not only of designated compliance teams but all employees can help correct any issues faced by business units. Employing third-party consultants can also help JGSHI improve their overall compliance system.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Units	Quantity
Total number of employees	#	21,028
a. Number of female employees	#	8,413
b. Number of male employees	#	12,615
Attrition rate ¹	Rate	0.02
Ratio of lowest paid employee against minimum wage	Ratio	1:1

Notes:

- Attrition rate is calculated using SEC formula: $\text{Attrition rate} = (\text{No. of new hires} - \text{No. of turnover}) / (\text{Average of total no. of employees of previous and current year})$.

Employee benefits

JGSHI 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	Y/N	% of female employees who availed for the year	% of male employees who availed for the year	Boundaries
SSS				CCU ¹ , CEB, RLC, and RBank
• Salary Loan	Y	13%	10%	
• Parental Benefit	Y	18%	15%	
• Sickness Benefit	Y	9%	8%	
• Calamity loan	Y	18%	15%	
PhilHealth	Y	6%	4%	
Pag-ibig Salary loan	Y	8%	12%	
Parental leaves	Y	3%	2%	
Vacation leaves	Y	95%	99%	
Sick leaves	Y	66%	54%	
Emergency leaves	Y	0%	0%	
Medical benefits (aside from PhilHealth)	Y (HMO)	53%	58%	RBank and CEB
Housing assistance (aside from Pag-ibig)	Y	0.3% 7 employees	0.8% 1 Employee	URC ² CCU
Retirement fund (aside from SSS)	Y	0.27%	0.46%	RLC, RBank and CEB
Further education support	Y	22 employees	12 employees	CEB and CCU
Company stock options	N	0.01%	0.03%	URC ³
Telecommuting	Y	33%	9%	URC
Flexible-working Hours	Y	6% 100%	5% 100%	URC ⁴ CEB
Others:		100%	100%	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
• Rice Subsidy	Y			
• Medicine Allowance	Y			
• Uniform Allowance	Y			
• Sportsfest Subsidy	Y			
• Summer Outing Subsidy	Y			
• RBank Cash Card or RWallet	Y			

<ul style="list-style-type: none"> ● URC Marketing Activations and Sales Promotions ● Other Employee Perks and Partnerships 	Y			industry and their employees' needs. While JGSHI ensures that 100% of eligible employees are given government-mandated and company benefits-
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Notes

1. CCU stands for Corporate Center Unit
2. For URC, data on housing assistance are limited to select AIG, Flour, and SURE employees
3. For URC, company stock options are only applicable to select executive officers
4. For URC, flexible working hours are only applicable to employees working in the head office

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. Through hiring and provision of competitive benefits, JGSHI employees are better able to cover their cost of living, perform their roles outside the workplace, afford a better quality of life, hence, stay longer in the company.

Risks. As with any company, there is always a risk of employee attrition which could have some effect on company productivity and ability to retain talents.

Management Approach for Impacts and Risks

JGSHI abides by the standards and policies set by the Department of Labor and Employment for hiring and compensation. The parent company and its subsidiaries comply with and go beyond the mandatory benefits as required by the law. Conglomerate-wide Human Resources and Administrative Policies are communicated well to employees through various traditional and digital platforms such as an Employee Handbook, email blast, bulletin boards that includes below benefits:

- **Annual Merit Increase** – one-time annual performance-based salary adjustment given to qualified employees to reward and recognize individual contributions, competencies and performance in the spirit of meritocracy
- **Promotion Increase** – a salary adjustment given to employees who was moved from his current position to another position with a higher job grade and level of responsibility. It may involve change in position title, classification (eg. Rank & File to Supervisor, Supervisor to Manager, etc.)
- **Other form of Salary Adjustment** – given to employees if there's an upgrading, realignment, reclassification of positions, etc. The employees should have shown consistent outstanding performance based on performance evaluation, have the capability and potential to assume more complex duties, have been adequately trained through formal and informal training.
- **Leave Benefits** – including law-mandated benefits such as Service Incentive Leave Paternity & Maternity Leaves and company-provided benefits such as Vacation Leave, Sick Leave, Nuptial Leave, and Emergency/Bereavement Leave.
- **Medicine Allowance**
- **Clothing/Uniform Subsidy or Allowance**
- **Christmas Gift, Retirement and Separation Pay Benefits**
- **Government-Mandated Policies** – including 13th month pay, overtime and night differential pay, Holiday pay, Special Leave Benefit for Women, SSS Benefits, HDMF Benefits, and PhilHealth Benefits.

JGSHI uses different approach in our recruitment process to invite candidates to apply to various vacant positions. Qualified candidates are selected according to their competence and skills. The following are recruitment channels we use:

- Referral
- JGSHI Career Site
- Paid recruitment Platforms (LinkedIn, Jobstreet and other platform in the market)
- Job Fairs, Edtech and University Partnerships

Job qualifications and skills are based on the following:

- Professional Designation & Certifications
- Educational Requirements

- Years of Relevant Experience
- Set Skills Relevant to the position

Opportunities & Management Approach:

JGSHI sees the opportunity to differentiate itself as an employer from other desirable companies in the country. Grievance mechanisms and numerous communication channels, such as town hall meetings, career conversations and dialogues are made available to employees. This allows the company to capture the other dimensions of employee satisfaction, such as professional development.

Employee Training and Development

Disclosure	Units	Quantity	Boundaries
Total training hours provided to employees	Hours	439,641	URC ¹ , RLC, CEB, JGSOC, RBank and CCU
a. Female employees ¹	Hours	81,255	RLC, CEB, JGSOC and RBank
b. Male employees ¹	Hours	81,840	
Average training hours provided to employees	Hours per employee	20.91	URC ¹ , RLC, CEB, JGSOC, RBank and CCU
a. Female employees ¹	Hours per employee	9.66	RLC, CEB, JGSOC and RBank
b. Male employees ¹	Hours per employee	6.49	

Notes:

1. Does not include data from URC and CCU. We are working on improving our system to track breakdown of training hours by gender

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. JGSHI and its subsidiaries improve the competencies of its employees. In turn, competent employees become more productive in the workplace. Additionally, a well-trained workforce also encourages innovation and continuous improvement in the company.

Risks. Adequate training drives employee engagement. When employee's training needs are unmet, productivity and quality of work is compromised. It makes employees feel disempowered which could push them to seek opportunities elsewhere, resulting to higher attrition.

Management Approach for Impacts and Risks

JGSHI continuously provides learning and development opportunities for its employees through the John Gokongwei Institute for Leadership and Enterprise Development or JG-ILED, the leadership platform for systematic and sustained development programs across the conglomerate. Its mission is to enable a high performing organization that will facilitate the learning process and develop the intellectual and personal growth of all employees through targeted and customized trainings and development programs.

JGSHI's subsidiaries also have their own training programs that address their need for specific skills. Highly technical industries such as air transportation and petrochemicals provide highly specialized trainings to their employees. This includes the cabin crew and pilot trainings of Cebu Pacific, operations trainings for JGSOC and URC, as well as safety and security trainings across the subsidiaries. The Human Resources of each business unit plans, manages, and facilitates the implementation of programs geared towards the enhancement of its employees' skills. HR also evaluates and determines the allocation of training slots for a particular training program to ensure equity, fairness and cost effectiveness.

JGSHI also implements its Inter-BU Employee Transfer policy to facilitate the lateral movement of its employees across its subsidiaries and to allow employees to grow professionally and perform better within the conglomerate.

LinkedIn Learning Programs

Part of our training evolution is partnering with LinkedIn Learning, an online learning platform which provides an on-demand, highly accessible and up-to-date learning content that is relevant to the organization's learning needs. With podcasts, videos, and other interactive content that they can access on-the-go, our employees have better reach to key resources right when they need them. It excites our employees as they are part of a connected community. Taking charge of their own learning can be very empowering for them, and can give them a sense of self-confidence that helps them to do even better. We moved on a common thread – bring the learning where our people are and give them flexible choices. The shift to digital has been instrumental as it reinforces our resolve to redefine learning for our talents. And with our continued subscription into the platform, it increased levels of productivity while on hybrid work set up.

Opportunities & Management Approach:

JGSHI sees the opportunity to differentiate itself as a company that equips its employees with skills and work experience that make them competent, as well as opportunities to practice these skills within the conglomerate.

Labor-Management Relations

Disclosure	Units	Quantity	Boundaries
% of employees covered with Collective Bargaining Agreements	%	24.42	URC ¹ and RLC ²
Number of consultations conducted with employees concerning employee-related policies ³	#	1,019	URC, CEB, and JGSOC

Notes:

- 1. Data for URC includes total number of regular employees*
- 2. Data for RLC include rank-and-file employees of two RLC properties*
- 3. This includes CBA negotiation meetings, Union Officers meetings, labor management conference, quarterly leaders update and cluster's catch up session with union partners*

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. Employee unions allow JGSHI employees to collectively communicate with employees on governance and compensation. JGSHI is also able to effectively gather employee concerns.

Risks. JGSHI fosters 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.

Management Approach for Impacts and Risks

JGSHI does not limit its employees their right to organization. JGSHI proactively listens to employee concerns during negotiations in order to reach agreements.

Opportunities & Management Approach:

JGSHI will continue to develop and evaluate platforms to foster productive communication with our employees through formal and informal meetings. JGSHI will create a more systematic approach to address concerns raised by its employees.

Diversity and Equal Opportunity

Disclosure	Units	Quantity	Boundaries
% of female workers in the workforce	%	40	URC, RLC, CEB, JGSOC, RBank and CCU
% of male workers in the workforce	%	60	
Number of employees from indigenous communities and/or vulnerable sector ¹	#	99	RLC

Note:

1. 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).

Impacts and Risks: Where they occur, JGSHI’s involvement, stakeholders affected

Impacts. Companies that employ a diverse workforce are beneficial to the success of business. By gathering employees with different backgrounds and experiences, JGSHI also creates a large pool of strengths, ideas, competencies and perspectives that can provide better, innovative solutions which can also cater to a wider range of the market. While it helps attract potential employees, it also helps build an effective transparent communication system within the company that fosters a culture of inclusion, healthy working environment and eventually translate to establishing valuable market presence.

Risks. A more diverse workforce could 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.

Management Approach for Impacts and Risks

JGSHI’s Engagement Philosophy is created such that all the aspects of its employee welfare are promoted, and this is achieved through programs that do not discriminate or differentiate between organized and non-organized groups. JGS CARES, launched in 2008, stands for the five (5) key elements to guide the parent and its subsidiaries in all its initiatives: Communication, Advocacy, Recognition, Engagement and Social Responsibility.

JGSHI, as an equal opportunities employer, hires based on the competencies required of the position, and does not discriminate based on race, color, religion, age, gender, sexual orientation, status or disabilities. To operationalize non-discrimination, JGSHI is also up-to-date on societal and labor trends influencing the workforce demographic. Equal opportunity is also rooted to skills and competency-based hiring, values talent beyond stereotypes that helps new employees reach their potential beyond prejudice.

Opportunities & Management Approach:

JGSHI sees an opportunity in providing reasonable preferential hiring to the vulnerable sector, staying true to the company commitment to creating shared success. JGSHI can look into developing a policy that enables hiring of competent individuals from vulnerable sectors.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Units	Quantity	Boundaries
Safe Man-Hours ¹	hours	90,054,064	URC ² , RLC ³ , CEB, JGSOC, RBank and CCU.
No. of work-related injuries ⁴	#	432	URC, RLC, CEB, JGSOC, RBank and CCU.
No. of work-related fatalities ⁴	#	3	
No. of work-related ill-health ⁵	#	0	
No. of safety drills	#	414	

Notes:

1. Safe man hours are calculated by multiplying the number of workers by the total hours worked. This figure reverts to zero and starts again in cases of fatalities
2. URC covers total man-hours, which are the number of hours worked in the reporting period. URC data covers (BCF-PH, BCF-INT, Flour, SURE, AIG, head offices, and external distribution centers in the Philippines)
3. Includes data from RLC's Corporate Construction
4. We take note that URC's Frequency Rate of 0.82 is well within industry standard of 4.25 as set by the Philippine Statistics Authority's Philippine Labor Standards. As part of our commitment to promote a safe working environment, we continuously strive to mitigate occurrence of any work-related incidents.
5. Does not take into account Covid-related cases.

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. An effective Occupational Health and Safety (OHS) system in JGSHI that adapts to the changing OHS landscape and still ensures the safety and wellbeing of its employees as well as the productivity of its workforce.

Risks. The pandemic has propelled the importance of Health and Safety in the forefront not just in the workplace but everywhere else. The Company continues to work towards ensuring that employees are healthy and safe because we understand the risks to life and property if this is not done well. Non-compliance to health and safety standards and regulations could cost JGSHI penalties from regulators, suspension of operations, attrition, and damage to reputation.

Management Approach for Impacts and Risks

JGSHI established its company-wide OHS management to ensure that safety protocols are in place in the company. Designated OHS managers in the business units lead and ensure that they meet the primary compliance requirements of DOLE, DOH, BFP, DENR-EMB, and LLDA.

JGSHI also established the following health programs to respond to the pandemic. We have provided free Vaccination for our employees and third-party including qualified dependents. We also track the number of employees and third-party workers vaccinated and boosted. A COVID Protect Dashboard was created to provide real-time monitoring of vaccinated employees groupwide.

Health & Well-Being remains to be a priority for us, especially during these times. We have continued to provide our employees and third-party workforce with free Telemedicine service called Telehealth at the Gokongwei Group. This program lets employees easily contact medical professionals for COVID and non-COVID related illnesses for them to get proper medical advice and e-prescriptions. In 2021, there were a total of 16,430 consultations by our employees. (excluding RRHI, we had a total of 10,966 consultations)

We have also provided our employees and their dependents access to vaccines, as we support their well-being and safety. We have coined it "COVID Protect – Gokongwei Group Vaccination Program". In 2021, we have achieved 95% vaccinated, both for our organic employees and third-party workers.

We have also established 57 partner hospitals for our employees to have a direct link for special access on hospital admissions in the event that hospitalization due to COVID is necessary.

Opportunities & Management Approach:

JGSHI seeks to improve its OHS system by studying to install additional safety features within its facilities. JGSHI is looking at optimizing the OHS Council, and developing OHS Policy and Programs.

Labor Laws and Human Rights

Disclosure	Units	Quantity
No. 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"> ▪ Policy on Sexual Harassment ▪ Policy on Health, Safety and Welfare (Protection of Company Employees, Creditors and other Stakeholders’ Rights) ▪ Corporate Environment, Health and Safety Policy ▪ Drug-Free Workplace Policy ▪ Workplace Policy on Prevention Control of HIV and AIDS, Hepatitis B and Tuberculosis ▪ Special Benefits for Women/Magna Carta for Women ▪ Leave Benefits Policy (includes Expanded Maternity Leave, Solo Parent Leave, Vacation Leave, Sick Leave, Service Incentive Leave, Nuptial Leave, Emergency Leave, Bereavement Leave) ▪ Whistleblowing Policy ▪ Data Privacy Policy ▪ Flexible Work Arrangement Policy ▪ Work-From-Home Program ▪ Mental Health and Wellness Policy ▪ Retirement and Separation Benefits Policy ▪ Hazard Pay Policy ▪ Covid Protect Vaccination Policy ▪ Information Security and Management Services Policies

Impacts and Risks: Where they occur, JGSHI’s involvement, stakeholders affected

Impacts. Human rights compliance in the workplace ensure that JGSHI’s workforce experiences no unlawful activities and that employees can exercise their right to decent work. Compliance or violation of these rights will impact JGSHI’s productivity, employee retention, and employee engagement.

Risks. As in any instance, cases of human rights and labor violations could have regulatory implications against the Company which could further tarnish the Company’s reputation and brand.

Management Approach for Impacts and Risks

JGSHI implements the aforementioned company-wide policies to ensure that human rights are protected when employees are within the office premises.

Opportunities & Management Approach:

JGSHI will continue to adhere to the highest ethical and lawful conduct in the way it handles its employees.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy: Yes. See Annex 1.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	Procurement employees are trained in Responsible Sourcing and Ethical Procurement to ensure compliance with the Company's Policies as well as government rules and regulations. The company also has clear policies against bribery and corruption as provided in the Corporate Code of Business Conduct.
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. To ensure delivery of committed goods and services, JGSHI's partners across the supply chain will employ measures on time and quality delivery of suppliers.

Risks. The accreditation process mitigates the risks of late or non-delivery of products and services resulting in losses in sales and revenues. Moreover, supplier accreditation also helps maintain the integrity of the procurement process thus promoting transparency and good corporate governance. Moreover, terms and conditions are defined in the Purchase Order to ensure compliance and protection on agreed upon contract terms. Internally, the implementation of procurement activities is governed by the Corporate Code of Business Conduct.

Management Approach for Impacts and Risks

JGSHI trains its Procurement employees on Responsible Sourcing that covers procurement ethics like corruption and bribery and government regulations on the environment, child labor, forced labor, and human rights.

Opportunities & Management Approach:

JGSHI has in place the necessary accreditation process and procurement policies to ensure fairness, accountability and transparency for the best interest of all stakeholders. This considers both financial and environmental impacts and promotes sustainable shared growth with our suppliers both big and small.

Relationship with Community

Significant Impacts on Local Communities

1. Operations with significant impact on local communities: AIG Kabalikat Program (URC)

URC's Agro-Industrial Group (AIG), consolidated under Robina Agri Partners (RAP), initiated the Kabalikat Program in a bid to transform the lives of people in our host communities. The program leverages on AIG's expertise in farming operations to teach locals proper hog raising and other farming practices. It is part of URC's thrust to promote training, lifelong learning, and livelihood opportunities.

AIG's Kabalikat Program, which started in June 2014 with the Uno+ Kabalikat Farms (Kfarms), provides farmers, especially hog raisers, knowledge on the latest farming technology and management practices.

The program hinges on the principles of being a "kabalikat" (partner), both to our consumers through the promise of "kalidad" (quality), and to our partner farmers through "kita" (profit). Through the Kabalikat Program, we demonstrate that AIG is not just an ordinary supplier of quality feeds and veterinary medicine, it is also a "kabalikat sa pag-unlad" (partner in progress).

Managed by the Marketing Team of AIG, the program was initially conceptualized as a brand-building program which, through community engagement, created positive learning experiences for the farmers and their local communities. Through their testimonials, our partner farmers themselves become AIG's brand ambassadors. We also teach our partner farmers bio-security systems so that they can protect their animals against diseases or harmful biological agents; this, in turn, also ensures that their meat products are clean and safe for human consumption.

Knowledge transfer is done through lectures and discussions with AIG personnel and through hands-on training and on-site practice in AIG farms. AIG technicians also conduct weekly monitoring to ensure the continuous learning of our partner farmers, and to also motivate them to implement the best practices they just learned.

In 2021, the program has grown to include 927 Kabalikat partners, and has helped increase the number of hog raisers nationwide. This nationwide reach was made possible through the Barangay Uno+ Hog Farms, the Barangay Supremo Gamefowl Farms, and the Kabalikat Poultry Farms, with plans to further expand the program's reach through partners for Top Breed Dog Meal and Robina Farms Premium Farm Products.

Also in this year, AIG has rolled out its Kabalikat Village Hub, wherein anyone can start their own business by running a "hub" that a neighborhood can turn to for their food needs. URC supplies these hubs with its wide range of premium-quality products, including fresh meats and eggs, processed meats, and even pet care needs. These hubs, in turn, become a source of livelihood for households. They likewise provide communities around them access to products that can be ordered online and delivered quickly. This lessens health risks to everyone.

Over the course of three years, the program has helped improve the performance of its partner farms. Majority of the Kfarms have expanded their farm population, and improved their productivity in terms of their animals' growth rate and mortality. Overall farm health of the Kfarms has also improved, which in turn promoted health and sanitation practices within the local communities. The AIG's response time to changes in products, services, and even field conditions, such as in the cases of disease outbreaks or competitor activities, has also significantly improved thanks to knowledge gleaned from our partner farmers.

Location: Nationwide

Vulnerable groups: Hog Raisers and farmers

Impact on Indigenous peoples: No particular negative impacts to indigenous groups

Community rights and concerns of communities: The program leverages on AIG's expertise in farming operations to teach locals proper hog raising and other farming practices. It is part of URC's thrust to promote training, lifelong learning, and livelihood opportunities.

Mitigating Measures: The program and its execution have no significant negative impact; hence, requires no mitigating measures.

2. Operations with significant impact on local communities: Flour Flourish Pilipinas (URC)

In partnership with the Department of Education (DepEd), the Flour Division of the company has developed Flourish Pilipinas in 2018 to provide support to public school teachers and students by increasing accessibility to a wide range of multimedia tools that are more interactive, standardized, and cost-effective.

In 2020, we have transformed the face-to-face training on effective use of Bread and Pastry Production (BPP) Multimedia Toolkit for Teachers to an online learning platform in compliance to the safety protocols being followed during the COVID-19 pandemic. The online training scheduled September 18 and 25, 2020 has been attended by twenty (20) Senior High School Teachers identified by the DepEd Regional Office. While only 20 participants were accommodated during the live training, recorded training videos may be accessed by all BPP Teachers on a Moodle learning platform for one year.

This year, Flourish Pilipinas expanded its coverage by conducting nationwide virtual training workshop for bread and pastry production. The online training scheduled in the last quarter of 2021 has been attended by 991 Public School Teachers equivalent to 99,100 students nationwide.

Location: Participants joined the online training via Google Meet

Vulnerable groups: Teachers and students in public schools across the Philippines

Impact on Indigenous peoples: No particular negative impacts to indigenous groups.

Community rights and concerns of communities: The training of these teachers under the Flourish Pilipinas Project is the next step of the pioneering efforts to support the country's baking industry and enhance the skills of bakers and future bakers.

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

3. Operations with significant impact on local communities: Sustainable Potato Farming (URC)

URC partnered with the Department of Agriculture to implement Sustainable Potato Program to help the local farmers increase their yield and scale-up productivity. URC provided high quality Granola potato seeds from Canada as farm inputs to selected potato farming communities.

Since the program started in 2019, URC has distributed more than 365 tonnes of Granola potato seeds to 2,700 farmers from selected cooperatives in the Cordillera Administrative Region, Davao del Sur and Bukidnon. It provided these farmers cooperatives a total of PHP 350 million net income to date. The high yielding quality seeds continue to provide livelihood to the farmers. A portion of the harvest was sold and provided an average income of Php135,000 income per farmer per planting cycle. The other portion was kept as seeds to sustain the next farming cycle.

Location: Benguet, Mt. Province, Bukidnon and Davao del Sur

Vulnerable groups: local small-scale farmers

Impact on Indigenous peoples: No particular negative impacts to indigenous groups

Community rights and concerns of communities: The program allows the stakeholders to exercise their rights to have access to a means of livelihood. It delivers long-term impact to the lives of our local Potato farmers in different regions. The Program put into action the Conglomerate's mission of "making the Filipino lives better".

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

4. Operations with significant impact on local communities: SURE Project Salig (URC)

Project Salig is a program of URC SURE that started in 2019 with the aim to develop partnership with sugarcane planters in districts where URC sugar mills operate. "Salig" is a Visayan word for "trust"; hence, the program aims to create partnership based on trust. In order to gain the trust of planters and make URC sugar mills their "mill of choice", the mill endeavors to address major areas of concern for the planters – sugar recovery (LKgTC) and farm yield (tons cane per hectare), turn-around of hauling trucks during the milling season and customer service provision.

Project Salig is composed of the following programs:

1. Planter Partnership – entering into a partnership with sugarcane planters. Under this program, the mill will assist planters to improve the overall sugarcane farming practices so that the end result is an improved farm productivity and income. The program includes educating planters on correct farming practices, use of high yielding sugarcane varieties, access to farming resources that includes farm equipment, hauling logistics, fertilizer, etc. In return, the planter commits to support URC by delivering his canes to the mill.
2. Customer-Centric Culture – planters were, in the past, considered as suppliers of canes only; hence, the mindset is to treat planters the way we would treat all suppliers. The program aims to redirect the mindset towards a culture of partnership where the planters are considered partners in the industry.
3. Plant Efficiency and Sugar Recovery – one of the measures of a good sugar miller is the high LKgTC or the high sugar recovery of the mill which planters will likely patronize. The program is about improving plant efficiency and recovery by undergoing good off-season repair of the equipment and machinery, and investing on equipment that will deliver high performance. This will lead to the production of high-quality products that can command good price.
4. Truck Turn-around – faster turn-around means more canes delivered to the mill, faster harvesting, lower cost in transporting canes, and high utilization of cane hauling trucks. Slow turn-around is caused by a lot of factors such as mill breakdown/stoppages and slow milling rate. The program looks into ways and means of improving turn-around of trucks during the milling season by ensuring good off-season repair, eliminating inefficiencies in the system of receiving and accepting cane deliveries, and increasing milling rate by installing new equipment.
5. One Stop Shop (OSS) – this program is designed to create a hassle-free, friendly, value-adding system when planters transact with the mill.

All of the above leads to one thing – making URC mills the mill of choice of planters.

Location: The project was implemented in all URC sugar mills across the country – Negros Occidental, Negros Oriental, Iloilo, Batangas and Cagayan Valley

Vulnerable groups: local small/marginal sugarcane farmers, especially the agrarian reform beneficiaries

Impact on Indigenous peoples: No particular negative impacts to indigenous groups

Community rights and concerns of communities: The project provides technical and, at times, financial assistance to sugarcane planters to improve their farm productivity, increase sugar recovery, and enhanced customer service. This delivers a long-term impact to the lives of the sugarcane farmers. By partnering with the mill, the planter will have access to various assistance programs such as technical seminars on good farming, access to high yielding variety sugarcane, farm equipment and hauling services, and financial loans.

Mitigating Measures: The program and its execution have no significant negative impact; hence, requires no mitigating measures.

5. Operations with significant impact on local communities: COVID-19 Response (URC)

URC-wide initiative to help fight COVID-19, several donation drives were conducted across different business units including our international facilities in Malaysia, Thailand, Indonesia, and Vietnam. Donation includes but not limited to alcohols and medical kits for medical workers, COVID-19 patients, and front-liners including URC employees.

Location: Philippines, Malaysia, Thailand, Indonesia, and Vietnam

Vulnerable groups: Front line workers, hospital staff, COVID-19 patients, and employees

Impact on Indigenous peoples: No particular negative impacts to indigenous groups

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

6. Operations with significant impact on local communities: : Scholar ni Juan and Brigada Eskwela (URC)

URC-wide initiative to support education continuity despite COVID-19 pandemic by providing resources and tools to chosen beneficiary school.

Also, SURE SONDECO in partnership with Gokongwei Brothers Foundation (GBF) through GBF STEM provided Agri College Scholarship Program. GBF STEM - Agri Scholarship Program aims to provide scholarships to children of current URC SURE sugarcane planter partners. Through scholarships, GBF and URC SURE intend to inspire our next generation to sustain the sugarcane planting tradition and livelihood. These future sugarcane growers will be better equipped with best practices in sugarcane farming and entrepreneurship basics to sustain and grow their local agriculture business.

Location: Nationwide

Vulnerable groups: Students

Impact on Indigenous peoples: No particular negative impacts to indigenous groups

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

7. Operations with significant impact on local communities: Angat Kabuhayan Sariaya (URC)

Flour Division donated baking tools and equipment to Sariaya Livelihood Center and provided five days of bread and pastry production training to 13 kababaihan pilot batch.

Location: Sariaya, Quezon

Vulnerable groups: Women in Sariaya

Impact on Indigenous peoples: No particular negative impacts to indigenous groups

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

8. Operations with significant impacts on local communities: Lingkod Pinoy Centers (RLC)

The Lingkod Pinoy Centers emerged from the RLC's desire to ease the delivery of essential government services to every Filipino. It is a one stop shop where people can access a variety of public services. Started in 2011, the Lingkod Pinoy Center is now present nationwide to provide convenience and comfortable venues to make transactions. The Malls provides the area at no cost to the government, saving the state an estimate of PHP 15.80 million a month. The centers average daily transaction in 2021 is at 36,399. It hosts 19 Government Agencies and offices.

By hosting select government satellite offices RLC reduces the need for people to take multiple trips and in process reduce carbon emissions from vehicle use.

Location: Available in 37 malls around the country

Vulnerable groups: Everyone including vulnerable groups are served.

Impact on Indigenous peoples: No particular negative impacts to indigenous groups.

Community rights and concerns of communities: It allows the citizens to exercise their rights to access government services.

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

9. Operations with significant impacts on local communities: Transport Hubs (RLC)

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. Robinsons 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, 62,339 sqm of space in Robinsons Malls were allotted for public transport terminals

Location: Available in 24 malls around the country

Vulnerable groups: Everyone including vulnerable groups are served.

Impact on Indigenous peoples: No particular negative impacts to indigenous groups.

Community rights and concerns of communities: It allows the citizens to exercise their rights to access government services.

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

10. Operations with significant impacts on local communities: Go Hotels Operations & Children’s Rights (RLC)

Location: All Go Hotels in the country

Vulnerable groups: Children and Youth

Impact on Indigenous peoples: No particular negative impacts unique to indigenous groups.

Community rights and concerns of communities: Children’s Rights.

Mitigating Measures: Go Hotels is committed to implement child protection through our child safety framework, and training of tourism professionals and front liners.

We have set-up a Child Safeguarding and Protection policy and practice in our hotels.

11. Operations with significant impacts on local communities: Financial access to the underserved (RBank)

To promote financial inclusion, Robinsons Bank launched Simplé Savings which has a simpler and easier way of getting a savings account.

Location: Available in 154 branches of RBank and accessible online

Vulnerable groups: underserved market

Impact on Indigenous peoples: No particular negative impacts to indigenous groups.

Community rights and concerns of communities: This service allows the underserved segment to exercise their rights to be served by a financial institution.

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

12 Operations with significant impacts on local communities: Financial access to the underserved (RBank)

Robinsons Bank & Legazpi Savings Bank also facilitated the release of the 2nd tranche of cash aid of the government’s Social Amelioration Program

Location: Withdraw in different locations: Laurel Barangay Hall, Tagaytay Br, RSC Tagaytay, RSC Twin Lakes, Sto. Tomas, various Lipa ATM sites, Balayan, Imus, San Pedro, Calamba, Las Pinas,

Binondo, Lucena. Legazpi Savings Bank on the other hand performed distribution in the following areas in Albay region: Bacacay, Sto. Domingo, Malilipot, Malinao, Manito, Polangui, Libon Guibatan, Jovellar, Pio Duran, Camalig & Rapu-Rapu.

Vulnerable groups: underserved market

Impact on Indigenous peoples: No particular negative impacts to indigenous groups.

Community rights and concerns of communities: This service allows the underserved segment to exercise their rights to be served by a financial institution.

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

13. Operations with significant impacts on local communities: Financing small businesses through Legazpi Savings Bank, Inc. (RBank)

Legazpi Savings Bank, Inc. provides financial assistance to programs associated with SDGs. About 20% of our loans were disseminated to micro and small-scale businesses. LSB distributed its other loans to various programs such as food and agriculture, education, electrification, water and sanitation systems, among others. In 2020, LSB gave loans amounting to Php 929.7 million to about 13,839 micro, small farm and businesses loans. For 2021, on the other hand, a total number of **5,906** micro and small-scale entrepreneurs with an aggregate loan amount of **Php 455 Mn**.

In addition, Robinsons Bank gave loans amounting to Php 861.9 million to about 332 MSME borrowers.

Location: Available in all branches of Robinsons Bank and Legazpi Savings Bank, Inc. Nationwide

Vulnerable groups: underserved market

Impact on Indigenous peoples: No identified negative impacts to indigenous groups.

Community rights and concerns of communities: This initiative allows to start up SDG programs to be able to meet the rights of those in the underserved sectors in the country.

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

14. Operations with significant impacts on local communities: Financing small businesses through Robinsons Bank (RBank)

Robinsons Bank also provides loans to the underserved individuals, such as motorcycle borrowers (motorcycle drivers, TODA) and teachers. In 2020, Robinsons Bank granted loans amounting to Php 5.9 billion to about 119,750 motorcycle borrowers, and Php 1.9 billion to about 14,910 teachers. For the year 2021, Legazpi Savings granted loans amounting to **Php 1,514 Mn** to about **9,447** borrowers.

Location: Available in all branches of Robinsons Bank nationwide

Vulnerable groups: underserved market

Impact on Indigenous peoples: No particular negative impacts to indigenous groups.

Community rights and concerns of communities: This service allows the underserved segment to exercise their rights to be served by a financial institution.

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

Robinsons Bank also supported the education sector and countryside development in 2020. Loans provided to these sectors amounted to Php 12.4 billion.

15. Operations with significant impacts on local communities: Relief aid distribution for host communities and neighboring localities (JGSOC)

In 2021, JGSOC continued to address the needs of its host communities and nearby localities even when the pandemic was still raging.

Foremost of which, to ensure the health and safety of those residing and working in Batangas City, the provincial and host city of JGSOC's plant operations in Batangas, JGSOC in partnership with the Gokongwei Brothers Foundation (GBF), worked with the Batangas City local government and provided vaccines for the benefit of the locals that still need to be vaccinated for their first or second dose. In October, 1,200 doses of Astra Zeneca vaccines were donated. 600 doses of the Moderna brand were given in November. And another batch of 1,200 doses of Astra Zeneca and 600 doses of Moderna were also handed over to the local government last December. A total of 3,600 doses of Covid vaccines were donated by JGSOC in Batangas City.

Aside from the Covid vaccine donation, JGSOC worked in promoting wellness and good health to the residents living in the plant's host communities, namely Barangays Simlong, Pinamucan Ibaba and Pinamucan Proper as well as adjacent Barangays Pinamucan Silangan, Mabacong and Malibayo by donating various medical supplies to its respective health centers last July.

The company also distributed two tranches of food packs, which contain rice, coffee and noodles in May and November to 8,096 households of the six barangays. JGSOC also donated and installed a water pump in Barangay Simlong last July that has benefited 1,027 households with clean and sufficient supply of water.

In terms of its educational assistance to neighbor communities and under its Abot Kamay community outreach program, 60 gallons of disinfectants were donated to nine schools in partnership with GBF and Cebu Pacific Air last August. JGSOC also gave school supplies to six elementary schools as part of its Balik Eskwela program in October. Food packs were also distributed to 1,478 students from three elementary schools and three day-care centers during the Christmas season.

To ensure continued livelihood and a productive workforce amongst the locals of Barangay Simlong, ten (10) industrial sewing machines were provided to Barangay Simlong Women's Cooperative last November that are now being used by 100 Simlong women for rags making. The cooperative is now producing 3,000-4,000 kilos of rags per month because of the sewing machines they had received.

In the aspect of addressing poverty in Batangas province, JGSOC turned over a check worth P500,000.00 to Lipa Archbishop Gilbert Garcera and Lipa Archdiocesan Social Action Commission, Inc. during the 5th World Day of the Poor last December, to be used for poverty-alleviation initiatives in the province.

Location: Batangas

Vulnerable groups: local communities

Impact on Indigenous peoples: No particular negative impacts to indigenous groups.

Community rights and concerns of communities: These programs provided goods and services to the host communities and neighboring localities that benefited many parties such as its residents, children and localized workers.

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

16. Operations with significant impacts on local communities: One Million Trees Project (JGSOC)

Ensuring that local communities and the next generation will continue to benefit from nature's resources, JGSOC continued on fulfilling its commitment of its **One Million Trees Project**. The project, which was launched in 2016 in support of the government's National Greening Project, aims to plant one million indigenous and fruit-bearing trees between 2016 and 2023.

For 2021, a total of 71,983 seedlings were distributed and planted to local communities in the province of Batangas. The seedlings included fruit-bearing trees cacao, *dalanghita*, *calamansi*, rambutan and guyabano, and forest trees narra, molave and caballero. These seedlings were grown in JGSOC's own Biodiversity Center located in one of the host communities surrounding the JGSOC complex in Batangas City. The recipient communities were primarily the barangays in Batangas City, including JGSOC's three host communities Barangays Simlong, Pinamucan Ibaba and Pinamucan Proper, plus a number of municipalities in Batangas province. Other local government agencies and civic organizations in the province also received seedlings for tree planting.

1,700 seedlings from JGSOC's tree nursery located in Wetland No. 8 in Barangay Manocmanoc, Boracay Island were also distributed and planted in communities and schools in the locality. JGSOC also donated about 1,050 seedlings to Aklan Trekkers, a group made up of teachers, mountaineers and environmentalists based in Malay, Aklan that does tree planting in Nabaoy River, Aklan province. The seedlings that were provided included *calamansi*, cashew, mango, guyabano, narra, *ilang-ilang* and *bitaog* trees. The 1.8-hectare Wetland No. 8 was adopted by JGSOC in 2019 for protection and rehabilitation, in partnership with the Department of Environment and Natural Resources.

As of December 2021, a total of 486,227 seedlings had been donated under the One Million Trees program.

Location: Batangas, Boracay Island

Vulnerable groups: local communities

Impact on Indigenous peoples: No particular negative impacts to indigenous groups.

Community rights and concerns of communities: The program benefitted reforestation and greening initiatives in the particular provinces.

Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.

Impacts and Risks: Where they occur, JGSHI's involvement, stakeholders affected

Impacts. JGSHI's operations impact to the communities could be positive or negative and may range from physical to social and economic. Delivering positive benefits to the community strengthen JGSHI's partnerships such as improving accessibility and mobility of public services, and transportation.

Risks. JGSHI follows a strict protocol in obtaining 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.

Management Approach for Impacts and Risks

To manage the impact to the community, JGSHI ensures that it conducts its business while complying to all the necessary regulatory bodies.

Opportunities & Management Approach:

A social or community impact and risk assessment will aide JGSHI in managing its subsidiaries’ operations. This will help the company identify current and potential impacts/risks within a particular community. Such information will help develop a more structured and coherent approach to managing the identified risks.

Customer Management

Customer Satisfaction

JGSHI’S customer-centricity is essential in achieving the group’s purpose to provide better choices. While some of the business units have already been doing customer satisfaction studies and have invested in digital systems to capture customer perception, This involves streamlining processes and driving robust innovation across businesses, optimizing synergies between the CCUs and the different SBUs, as well as making SBUs and CCUs work faster and more responsive to customer needs and demands. JGSHI is continuously coordinating with the whole group to operationalize its approach to customer centricity.

Health and Safety, Marketing and Labelling, and Customer Privacy

The focus on customer health and safety, marketing and labelling, and customer privacy is managed directly 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.

Impacts and Risks: Where they occur, JGSHI’s involvement, stakeholders affected

Impacts. JGSHI, being a parent company, has no direct customers. However, customer satisfaction of the subsidiaries affects JGSHI’s reputation. When customers are satisfied with the subsidiaries’ products and services, subsidiaries are assured of customer loyalty and retention. Otherwise, when customers’ needs are not met or are dissatisfied with the quality of the products or services, customers would easily explore other options from other brands.

Risks. JGSHI recognizes that unresolved customer complaints, especially when these reach digital platforms, may influence wider customer perception on the quality of our product and service. 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 decline in sales, and eventual loss of market share.

Management Approach for Impacts and Risks

Customer management is fundamental to corporate success and sustainability. JGSHI’s subsidiaries’ ability to keep its customers satisfied is at the core of its performance. Ensuring their health and safety in the use of the business units’ products, and protecting their information are ways to deliver customer satisfaction.

The subsidiaries employ different strategies that ensure customer satisfaction are met and managed.

URC monitors and improves operational efficiency to ensure timely delivery of goods (for fast moving consumer goods). There is a customer care group dedicated to communicating directly with

its consumers, and a sales account management team dedicated to respond to the needs and concerns of its accounts. They have guidelines and procedures on how we attend and address all types of complaints we received from calls, e-mails, social media, and even walk-in complainants. For Health and Safety, URC consumer feedback regularly provides input on product and process improvements. The company is continuously upgrading its Quality and Food Safety Standards based on updated global guidelines while LEAN manufacturing will be scaled across our facilities in the Philippines this year. For Marketing and Labeling, URC ensures that it fully complies with regulatory labeling and product information requirements and implement the required analysis for nutritional facts and claims.

RLC conducts a periodic market research to gauge customer expectations and build the right products and services to meet their expectations, needs, and capabilities. The customer satisfaction surveys tell the company whether the products and services as designed have indeed met their requirements. RLC continually iterates and improves its performance through these processes. For Health and Safety, RLC adheres to the highest building standards from construction to operation to ensure properties are resilient to any structural threats. Periodic audits are done to ensure compliance to the standards. For Customer Privacy, RLC ensures customer details from its transactions are accessed by limited, duly authorized personnel only.

CEB uses a mixture of digital and traditional channels to communicate with customers. These tools are used to listen to customers’ feedback and concerns, resolve their complaints, and identify pain points in the whole customer experience. CEB is among the first airline companies to Asia to invest in an integrated facility with technology for social intelligence and customer engagement.

CEB also administers CSAT satisfactions survey regarding all its customer touchpoints. Other surveys include Call Center Booking Survey, Customer Care, Ticketing Office Booking Survey, Web Booking Survey, Mobile App Booking Survey, Mobile App Check-in survey. 21,962 post flight surveys were answered out of the 332,572 total surveys administered.

All of JGSOC’s EVALENE® polyethylene and polypropylene grades have been Philippine FDA-certified since 1999 and Halal-certified since 2014. Likewise, EVALENE® PE and PP is compliant with Model Toxics in Packaging Legislation (since Sept 2003), ROHS Directive (since January 2007), and EU 10/2011 Overall Migration (October 2012).

Opportunities & Management Approach:

At the parent level, JGSHI puts focus on digitalization activities that will help subsidiaries improve customer experience, from building closer relationship with its business-to-business customers, to stronger customer insighting to find ways to understand changing customer expectations.

Data Security

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

Impacts and Risks: Where they occur, JGSHI’s involvement, stakeholders affected

Impacts. As JGSHI increasingly adapts digitalization to improve customer experience and increase efficiency in internal operations, there is greater need to invest in securing our network from cyberattacks.

Risks. Notwithstanding the regulatory impacts, instances of data breaches could place the Company’s sensitive or confidential information at risk of being used against it or used to gain unfair advantage over it. Leaks of personal information (e.g. employees and customers) could also pose threats on the person’s safety and security.

Management Approach for Impacts and Risks

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
 - 2.1. **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.

Opportunities & Management Approach:

JGSHI aims to continue improving information security and data privacy protection through continuous development of technology solutions, conduct of periodic risk assessment and personnel trainings in the future.

U.N. SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs Key products and services and its contribution to sustainable development

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Office Space	<p>RLC provides a suitable location where businesses can operate and grow contributing to job creation and increased economic activity in the areas where we locate.</p> <p>To date RLC have 668,000 square meters of gross floor area.</p>	<p>Apart from the environmental, social, and economic impacts identified above, RLC sees no further material negative impacts of this product to SDGs.</p>	<p>Nothing material that RLC could identify</p>
Mall Space	<p>RLC provides a space where its customers (merchants) benefit from the foot traffic to the malls. It allows foreign and local enterprises to access key markets and scale their businesses. People around RLC's locations can access quality products that meets their needs from food, medicine, clothing, and other needs that improve their quality of life.</p> <p>To date, RLC has a total of 3.03 million square meters of gross floor area. In addition, 21 of our malls offer low-carbon malls spaces, as they're fitted with solar panels that meets a significant part of their power requirement.</p>	<p>Current businesses could be negatively affected through reduced customers.</p> <p>Increased consumerism could reduce savings of citizens.</p> <p>It may also cause traffic congestion that reduces productivity of the population.</p>	<p>When RLC enters a location, the company maps which local enterprises could be negatively affected by our entry. RLC assesses the impact and provides opportunities for the affected parties to locate in its mall, or their household members to be given employment opportunities.</p>
Hotel Rooms	<p>RLC provides affordable, quality accommodation options for tourists who contribute economic value to the local areas where RLC's hotels operate. People who travel to offsite locations on business are also able to access quality rooms that meet</p>	<p>Apart from the environmental, social, and economic impacts identified above, we see no further material impacts of this product to SDGs.</p>	<p>Nothing material that RLC could identify</p>

	<p>their budget.</p> <p>Currently, RLC has 3,230 rooms in the Go Hotels and Summit Hotels Brands.</p>		
Vertical and Residential Products	<p>RLC help families achieve their dreams of owning a home. We have a deep understanding of the needs of our customers and build for them a house that meets their needs wherever they are in their journey towards financial freedom.</p> <p>In 2021, we have a total of 28,660 residential sold and unsold; 22,388 units Rhome.</p>	Apart from the environmental, social, and economic impacts identified above, RLC sees no further material impacts of this product to SDGs.	Nothing material that RLC could identify
Logistics (Storage)	<p>RLC provides storage space that helps product-based businesses make their distribution system more efficient, ensuring that their goods are well secured.</p> <p>To date RLC has 167,000 square meters of warehouse space.</p>	Apart from the environmental, social, and economic impacts identified above, RLC sees no further material impacts of this product to SDGs.	Nothing material that RLC could identify
Master planned mixed-use developments and townships	<p>RLC's master-planned properties are designed to foster resilience, mobility, security, connectivity, and comfort. With well-designed combination of office space, commercial and residential areas, RLC creates an urban environment that supports economic growth in a manner that protects the environment and puts people's needs at the heart of it.</p> <p>With efficient master-planning, innovative designs, and quality construction, the townships will raise the standard of mixed-use developments in the country. Overall, the locations and design will attract foreign investments that will increase the country's overall economic pool.</p>	Apart from the environmental, social, and economic impacts identified above, RLC sees no further material impacts of this product to SDGs.	Nothing material that RLC could identify

	<p>The compact communities built by RLC also help reduce the need to travel by car, foster walkability, creating long-term benefits to air quality, health, and climate change mitigation.</p> <p>Currently, RLC has a total of 236 hectares of township developments.</p>		
Job creation	<p>UN SDG 8: Decent Work and Economic Growth</p> <p>Cebu Pacific assures employees of stable employment and security of tenure. Majority of our workforce are employees under a full-time employment contract</p>	Unsatisfied workforce, high attrition rate	Cebu Pacific offers competitive wages and benefits, good working conditions to ensure that employees remain happy, engaged, motivated, and productive.
Support to Local Economy	<p>UN SDG 8: Decent Work and Economic Growth</p> <p>Cebu Pacific empowers local suppliers by creating opportunities for small and medium enterprises to be part of our inflight catering services</p>	Local suppliers not able to meet CEB standards	Cebu Pacific has a stringent supplier accreditation process, and works with partners to make sure that they continuously improve and deliver quality products that meet our standards
Provider of low-cost air transport	<p>UN SDG 3: Good Health and Well-being</p> <p>Low cost air-transport increases ability of people to access quality health services when needed</p>	<p>Increased exposure to safety and health risks while flying</p> <p>Increased volume of flights and passengers may increase probability of transmission of viruses and disease</p>	<p>Cebu Pacific has maintained air safety certification by IATA through the Operational Safety Audit (IOSA) program. Cebu Pacific is subject to a comprehensive audit twice a year to assess our safety programs and performance.</p> <p>Cebu Pacific has implemented strict measures to prevent infection risks for COVID-19 for both staff and passengers.</p>

	<p>Air travel is an economic enabler and equalizer. The low-cost carrier business model has made travel more accessible to more people.</p> <p>Cebu Pacific continues to provide the lowest airfares in the market with its Piso Fares to enable every Juan to fly.</p> <p>Cebu Pacific opened 2021 with 40 domestic and 24 international destinations, spanning Asia, Australia, and the Middle East. As imposition of strict travel restrictions continued, Cebu Pacific ended 2021 with 47 domestic and 15 international destinations.</p> <p>With 74 aircraft in service, Cebu Pacific transported a total of 3,411,396 passengers, gaining 48.50% of the domestic passenger market share and is the leading airline against key competitors in the air travel industry.</p>	<p>Increased GHG emissions from flights</p>	
	<p>UN SDG 8: Decent Work and Economic Growth Low-cost air transport boosts local tourism</p> <p>According to a report released by the Air Transport Action Group (ATAG), every person directly employed in the aviation sector and tourism made possible by aviation supported another 11.2 jobs elsewhere in developing countries.</p>	<p>High volume of tourists in local areas may have detrimental effects to the environment and society</p>	<p>Juan Effect is a sustainable tourism program of Cebu Pacific, done in partnership with the Department of Tourism, Department of Environment and Natural Resources, and the Department of Interior and Local Government. The campaign aims to help mitigate the tourism sector's impact on the environment through various interventions geared towards educating tourists.</p>

<p>Provider of low-cost air transport enabling more people to fly and travel</p> <p>Availability of food and drink for purchase inflight</p>	<p>UN SDG 12: Responsible Consumption and Creation Cebu Pacific advocates for sustainable tourism via our Juan Effect program. The Juan Effect advocacy is in place in Boracay, Siargao, and Bohol. It engages the local community, the government, and tourism stakeholders in educating travelers about their responsibilities as tourists.</p> <p>All Cebu Pacific flights have been using more sustainable alternatives to replace plastic spoons, forks, stirrers, and cups on all domestic and international flights.</p>	<p>Sustainability of program in the islands</p> <p>Plastic packaging is still present.</p>	<p>Implementation of Juan Effect is our attempt to mitigate the negative effects of tourism on the environment.</p> <p>Waste segregation inflight</p>
<p>Provider of cargo services (CEB Cargo)</p>	<p>UN SDG 2: Zero hunger</p> <p>Aviation can move essential supplies over vast distances quickly. Cebu Pacific transports perishable agriculture products and supports transport of humanitarian aid during natural disasters or war.</p> <p>In 2021, 17.49% of cargo was used to transport food and agriculture items. 8.81% of cargo was used for humanitarian efforts to support typhoon affected areas were covered for free.</p> <p>UN SDG 3: Good Health and Well-being Cebu Pacific provides support for urgent medical shipments (medicines, including organs and blood)</p> <p>1.47% of humanitarian cargo carried in 2021 were for medical use. Cebu Pacific supports the Philippine Red Cross by transporting blood donations for free. Total blood donations transported in 2021 was 12,739 kg.</p>	<p>Increased probability of transmission of agricultural pests and disease.</p> <p>In 2021, 17.49% of cargo was used to transport food and agriculture items.</p> <p>8.81% of cargo was used for humanitarian efforts to support typhoon affected areas were covered for free.</p> <p>Risks in handling and contamination of special cargo</p>	<p>Cebu Pacific cargo services practices standard safety, segregation, and handling guidelines to ensure that cargoes are stored and transported well.</p> <p>Cebu Pacific cargo services practices standard safety, segregation, and handling guidelines to ensure that cargo is stored and transported well.</p>

<p>Fleet modernization and application of fuel efficiency and operational strategies to reduce GHG emissions</p>	<p>UN SDG 13: Climate Action Cebu Pacific supports the global aviation industry's goals to address climate change impact, which are as follows:</p> <ul style="list-style-type: none"> • Annual average fuel efficiency improvement of 1.5% • Stabilize net CO2 emissions for international aviation at 2019 levels with carbon neutral growth by 2025 • Reduce CO2 emissions to half of what they were in 2005 by 2050 	<p>Increased GHG emissions from flights</p>	<p>Cebu Pacific is reaching for these goals through fleet modernization and investments in management systems to keep fuel utilization efficient.</p>
<p>Repatriation of 4 Pangolins (Wildlife Rescue)</p>	<p>UN SDG 15: Life on Land Four Pangolins were safely flown back to Palawan last 21 August 2021, and on 05, 24, and 30 of December 2021. They were sent back to the wild under the care of Palawan Council for Sustainable Development.</p> <p>1 pangolin was released to the wild two days from the date of actual turn over to BMB which is a milestone for the National Wildlife Research and Rescue Center (NWRRC).</p>	<p>Risks of extinction of pangolins, loss of biodiversity and legitimization of poaching.</p>	<p>Continuous responsiveness to wildlife rescue concerns</p>
<p>Align with global aviation's commitment to Achieve Net Zero CO2 emissions by 2050.</p>	<p>In line with IATA commitment, Cebu Pacific is preparing etc.</p> <p>Ongoing initiatives such as shift to NEOs, paperless transactions, etc. Exploring solar energy for buildings, electrification of vehicles. Ongoing initiatives such as digitalization and process improvements, resource management</p>	<p>Increase in GHG emissions from flights</p>	<p>Cebu Pacific is reaching for these goals through fleet modernization and investments in management systems to keep fuel utilization efficient.</p>

<p>Branded snack foods and beverage</p>	<p>For more than 65 years, URC has produced high-quality snack foods & beverages with exceptional value. Currently, our portfolio is driven by convenience, on-the-go, ready-to-eat, ready-to-drink, indulgence, and play.</p> <p>Snack foods: URC provided access to high quality and western snacks like real potato chips at a more competitive price. Today, Jack n Jill is a household brand that Filipinos continue to love.</p> <p>Coffee: URC revolutionized the coffee mix market when URC launched Great Taste White Coffee and shifted the market significantly from instant to coffee mixes. Today, the coffee mix category has become an integral part of Filipinos lives, especially to the working class, and white coffee is the most significant sub-segment.</p> <p>Ready-to-drink Tea: C2 has been thriving against sodas/carbonated beverages when it was introduced as an alternative to consumers, given that consumers have already started to shift towards better for your choices. C2 is made from real tea leaves that are brewed and bottle the same day.</p> <p>Noodles: Our noodles business is a joint venture with Nissin of Japan, and is currently the #1 cup noodles brand in the market. It provided the working-class meal substitute on-the go, especially workers and millennials in tier 1 cities. We also have noodles in pouches from our Payless brand, which</p>	<p>Regulatory concerns towards wellness:</p> <p>As a food and beverage manufacturer, we believe that consumers are changing fast due to emerging trends brought by the growing middle-class population in the region.</p> <p>At this point, some of us may think that wellness will be 5 to 10 years from now, but it's already happening. As we saw in 2018, the government imposed an excise tax on sweetened beverages while some schools began banning snacks and some types of beverages that did not pass the nutrition standards of DepED.</p> <p>Issues concerning Single-Use Packaging</p> <p>Issues towards single-use plastics and ocean waste have been very visible in the last 3 years. The public has turned their eyes towards FMCG manufacturers as a source of the problem.</p>	<p>Portfolio:</p> <p>Nutrition is part of our Product Materiality</p> <p>Our 2030 commitment states that “we will improve the nutrition & wellness profile of our product portfolio aligned to the URC Wellness Criteria”</p> <p>By 2030, we plan to make 70% of our portfolio in the Philippines to meet at least one or more URC Wellness Criteria as we renovate our existing products and launch new products.</p> <p>Actual results: URC has been working on improving the nutritional quality of our product portfolio since 2019. By end of 2021, we had improvements in our nutritional quality of our product portfolio as measured by the wellness criteria.</p> <ul style="list-style-type: none"> • 99% of total (353 out of 357) products passed 1 URC Wellness Criteria, • More than 71% (253 out of 357) passed 2 URC Wellness Criteria and • More than 36% (128 out of 357) passed 3 URC Wellness Criteria. <p>This covers URC Snack Foods and Beverages including joint ventures DURBI, VURC and NURC in the Philippines.</p>
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	<p>we believe addresses social issues in hunger, especially in times of calamities, emergencies, pandemic, and financial crisis.</p> <p>Bottled Water: Our bottled water brand Refresh is tagged as one of the basic goods by DTI. Through Refresh, URC provides an additional supply of clean drinking water on-the-go, which is essential in times of calamities and emergencies.</p>		<p>Moving forward, URC will continue driving progress against the wellness criteria by expanding our scope to all geographies where we operate under BCF.</p> <p>To enable all our countries to participate in improving the nutritional profile of their products, we are upgrading the wellness criteria.</p> <p>URC Wellness Criteria is being enhanced and linked more strongly with the WHO standard.</p> <p>2021 data will be the new baseline for targets.</p> <p>Our 2030 goals:</p> <ol style="list-style-type: none"> 1. Minimum of our 70% of our product portfolio will meet at least 1 wellness criteria 2. Minimum of our 25% of our product portfolio will meet at least 2 wellness criteria <p>2021 Philippines product portfolio changes include:</p> <ol style="list-style-type: none"> 1. <u>Shifted to non-PHO (partially hydrogenated oils) formulations</u> for the following products: Nips Milk Choco (Porta Pack, Ties, Snack Bar), Nips Milk Choco Minis (Polybag), Nips Peanut (Ties, Snack Bar), Nips White (Minis, Ties, Snack Bar), Nips Peanut Deluxe (Snack Bar), Wiggles Choco Coated Mallows , Chooley Toffee, Cloud 9 Classic (Bar, Minis)
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and Wafrets Choco Vanilla. Plans are in place targeting to eliminate the use of PHOs by end 2022

2. Products containing Less than 6% Added Sugar in Beverages - Blend 45 Original, C2 Lemon, C2 Dalandan and C2 Melon and Refresh Fruit Drink (*Apple, Mango, Orange, Dalandan, Pineapple*)

3. Functional beverages for improved wellness
C2 Immuno C - Source of Vitamin C and Zinc that is equivalent to 15% of RENI. C2 Immuno-C helps to the normal function of the Immune system *B'lue Vita Boost (Cactus Tangerine, Orange, Lychee, Calamansi, Cucumber Lime)* - Source of Vitamin C that contributes to the normal function of the immune system. Vitamins B3, B6, B12 which contributes to the normal energy-yielding metabolism

4. Functional confectionery for improved wellness Maxx Vitamin C - Contains 75mg of Vitamin C per candy equivalent to 100% daily requirement for adults.

5. Functional bakery for improved wellness
Presto Creams Peanut Butter - High in B-Vitamins 1, 6 & 9 that can help you focus


			<p>Packaging:</p> <p>Packaging is part of our Product Materiality. Our 2030 commitment states that “we will reduce our packaging footprint & make 60% of our packaging recycle-ready”.</p> <p>Actual results: URC has been working in the reduction of our packaging footprint and making it recycle read since 2019.</p> <ul style="list-style-type: none"> • Versus 2020. Our packaging footprint dropped by 4.1% led by initiatives to optimize packaging laminate structures, drive towards mono materials, and optimizing cubage. This improvement has more than offset the down weighting of packs. Our packaging consumption was lower by 759 tons due to the packaging laminate initiatives. • Increase the proportion of our packaging materials that is recyclable –79% of our packaging is recycle ready in BCF PH. This has been led by an aggressive program of converting to mono-material laminates. Our total recycle content has also increased to 51% (of the total packaging) largely led by use of recycle content for paper packaging. <p>As technologies become available and feasible, we continue to look for opportunities in</p> <ol style="list-style-type: none"> a. making 99%+ of our packaging recycle ready in the BCF PH by 2030
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			<p>b. Use minimum of 25% post-consumer recycled PET in our bottles in the BCF PH by 2030.</p> <p>Adopting a single material type for packaging will promote closed loop systems, especially in areas where recycling facilities exist. This is part of our efforts to help encourage viable recycling ecosystems.</p>
Polyethylene (PE) and Polypropylene (PP)	<p>UNSDG 2: Zero hunger</p> <p>1. PE and PP food storage and packaging reduce food waste. Examples are plastic films which can extend the shelf-life of cucumbers from 3 days to up to 14 days, sealed trays which can reduce up to 20% of waste for grapes, and crates which can minimize losses during transport of farm produce.</p> <p>2. PE and PP increase yields in agriculture. Examples are protective films used to avoid losses due to pest infestation and harsh weather elements, mulch films used to prevent water evaporation, heat loss and weed growth, HDPE irrigation and drainage pipes and geomembranes.</p>	No negative Impact of Contribution	Not applicable
Polyethylene	<p>UNSDG 6: Clean water and sanitation HDPE pipes, valves, storage tanks, reservoirs and fittings are used in water supply and distribution infrastructure.</p> <p>UNSDG 7: Affordable and clean energy</p> <p>1. HDPE pipes are used in gas supply. 2. PE is used for wire and cable insulation. 3. HDPE and LLDPE packaging save energy by</p>	No negative Impact of Contribution	Not applicable

	<p>being lightweight and reducing the number of delivery trips.</p> <p>UNSDG 13: Climate action</p> <ol style="list-style-type: none"> 1. Being lightweight, water-resistant and FDA-compliant, HDPE bags are used as packaging in relief operations. 2. LLDPE-containing tents are used as temporary shelters. 3. HDPE boats are used during rescue operations. 4. HDPE rainwater filtration tanks for clean water 		
Microfinance Loans	<p>Legazpi Savings Bank was able to provide financial assistance to micro and small-scale businesses which was distributed to various programs such as food and agriculture, education, electrification, water and sanitation systems, among others. In 2021, a total number of 5,906 micro and small-scale entrepreneurs with an aggregate loan amount of Php 455 Mn.</p>	<p>No particular negative impacts to indigenous groups.</p>	<p>The operations have no significant negative impact, hence it requires no mitigating measures.</p>
Teachers Loans (APDS, TSL, PSL)	<p>Legazpi Savings Bank provides loans to underserved individuals particularly for teachers. In 2021, Legazpi Savings granted loans amounting to Php 1,514 Mn to about 9,447 borrowers</p>	<p>No particular negative impacts to indigenous groups.</p>	<p>The operations have no significant negative impact, hence it requires no mitigating measures.</p>
LSB Simple	<p>Promote financial inclusion within the countryside via offering of LSB Simple accounts, mostly caters to communities under the Sustainable Livelihood Programs (SLP) Associations opened by individuals who is part of these associations (formed by farmers and peasants) who entered into an agreement with DSWD.</p>	<p>No particular negative impacts to indigenous groups.</p>	<p>The operations have no significant negative impact, hence it requires no mitigating measures.</p>

Annex 1.

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.

	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.

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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
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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
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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.

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