

JG Summit Holdings, Inc.  
2023 Sustainability Report

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## Our Company

### About Our Company and Our 2023 Sustainability Report

Name of Organization	JG Summit Holdings, Inc. (JGSHI)
Business Model, including Primary Activities, Brands, Products, and Services	JGSHI is a holding company for a group of companies with substantial business interests in food, Agro-industrial and commodities, real estate and hotel, air transportation and petrochemicals. It also has core investments in telecommunications, and power generation and distribution.
Location of Headquarters	Robinsons Equitable Tower
Location of Operations	<p>The parent company and its subsidiaries conduct businesses throughout the Philippines, in and around Metro Manila (where it is based) and in the regions of Luzon, Visayas, and Mindanao. It also has a presence in several regions in the Asia Pacific. A more detailed map of the company’s geographic presence is available at <a href="https://www.jgsummit.com.ph/annualreport2022/investment-portfolio/geographic-presence">https://www.jgsummit.com.ph/annualreport2022/investment-portfolio/geographic-presence</a></p> <p>Subsidiaries:</p> <ul style="list-style-type: none"> <li>• <b>Universal Robina Corporation (URC)</b> has manufacturing facilities in the Philippines, Myanmar, Thailand, Vietnam, Indonesia, Malaysia and China; distribution facilities in Laos and Cambodia; and sales offices in Hong Kong and Singapore.</li> <li>• <b>Cebu Air, Inc.’s (CEB)</b> network spans operations in Southeast Asia, North Asia, the Middle East, and Australia. As of December 31, 2023, CEB operates 68 domestic routes and 36 international routes, with a total of over 2,900 scheduled weekly flights. The company operates in several hubs, namely Manila, Cebu, and Clark.</li> <li>• <b>JG Summit Olefins Corporation (JGSOC)</b>, headquartered in Pasig City, operates its manufacturing plant in Batangas City.</li> <li>• <b>Robinsons Land Corporation (RLC)</b> has properties distributed in 52 cities and 13 municipalities in 30 provinces.</li> <li>• <b>Robinsons Bank Corporation (RBank)</b> and its subsidiary, Legazpi Savings Bank, have 185 branches in 42 provinces. Robinsons Bank also has 222 banking agents located in NCR and in 38 provinces.</li> </ul>

Report Boundary	<p>Unless otherwise specified in specific sections, this report shall cover JG Summit Holdings, Inc. (JGSHI) including its five (5) strategic business units:</p> <p><b>Universal Robina Corporation</b></p> <ul style="list-style-type: none"> <li>• Branded Consumer Foods (BCF) Philippines (PH) and International (INTL)</li> <li>• Agro-Industrial and Commodities (AIC)</li> </ul> <p><b>Cebu Air, Inc.</b></p> <ul style="list-style-type: none"> <li>• Cebgo, Inc.</li> </ul> <p><b>Robinsons Land Corporation</b></p> <ul style="list-style-type: none"> <li>• Robinsons Malls</li> <li>• Robinsons Offices</li> <li>• Robinsons Hotels and Resorts</li> <li>• Robinsons Residential</li> <li>• Robinsons Industrial and Logistics Facilities</li> <li>• Robinsons Integrated Developments</li> </ul> <p><b>JG Summit Olefins Corporation</b></p> <ul style="list-style-type: none"> <li>• JG Summit Olefins Corporation</li> <li>• Peak Fuel Corporation</li> </ul> <p><b>Robinsons Bank Corporation</b></p> <ul style="list-style-type: none"> <li>• Legazpi Savings Bank, Inc.</li> </ul>	
Reporting Period	January 1, 2023 to December 31, 2023	
Highest Ranking Person responsible for this report	Renato Salud Chief Corporate Affairs and Sustainability Officer	Michael P. Liwanag Chief Strategy Officer

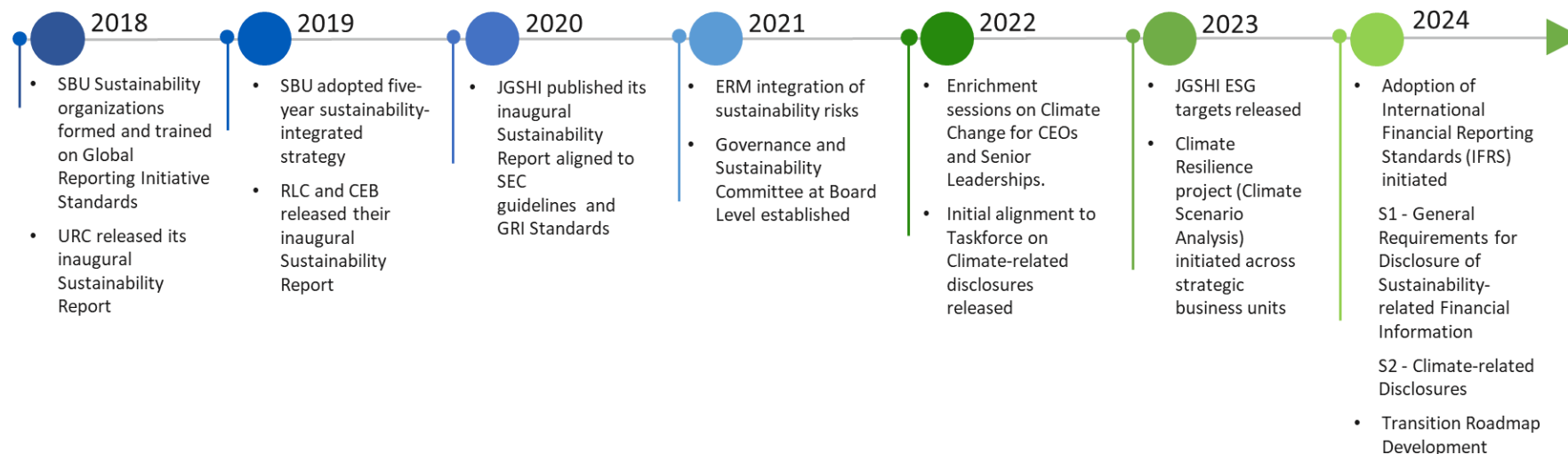
## Our Sustainability Journey

### Steady progress in reshaping our sustainable future

Our conglomerate is steadfast in its commitment to reshaping the future through sustainability, recognizing it as a cornerstone for positive change towards business and shared progress.

This journey reflects our collective and steady progress in embracing sustainability in our businesses through improvements in our approach to climate risk management and global reporting standards integration. Essential to this journey is our Strategic Business Units' (SBUs) implementation of practices that reduce our environmental footprint, drive innovation and reinforcing our commitment to climate resilience.

Concurrently, our emphasis on social responsibility extends beyond compliance, championing shared success among key stakeholders such as our suppliers and communities where we operate. This holistic approach is fundamental in reshaping our conglomerate, propelling us toward a more sustainable and resilient future.



## Our Signature Initiatives

### Fostering ecosystem collaborations for impact

JGSHI in collaboration with Robinsons Retail Holdings (RRHI), implement Signature Initiatives that exemplify our unwavering commitment to fostering collaboration among employees, business units, and communities, underlining the critical role teamwork plays in accelerating progress. Our focus is squarely on addressing key challenges, notably plastic waste, food waste, and the enhancement of educational quality. By strategically aligning our efforts, we aim not only to raise awareness but to drive tangible and meaningful change on these pressing issues.

In the pursuit of our Signature Initiatives, we leverage the inherent opportunities and strengths present within our diverse ecosystem. This holistic approach ensures that each facet of our conglomerate contributes synergistically towards our common goals. By harnessing the collective power of our organization, we strive to deliver impactful results that extend beyond individual efforts, creating a cascading effect that resonates across communities and our units.

Our commitment to collaboration within and beyond our conglomerate is at the core of these initiatives, exemplifying our belief that united efforts yield the most significant outcomes. Through our Signature Initiatives, we not only address critical challenges but also showcase the potency of collective action, setting a precedent for how collaborative endeavors can drive positive, transformative change in the realms of plastic waste reduction, food sustainability, and the advancement of educational quality.

## Juan Goal for Plastic

### Embracing an Ecosystem Mindset for Efficient Plastic Waste Collection and Diversion

Solving the complex plastic waste issue requires combined efforts from all stakeholders. To address this issue, JGSHI subsidiaries and affiliates have banded together to form a collective through the Juan Goal for Plastic initiative. This program aims to embrace an ecosystem mindset for efficient plastic waste collection and diversion.

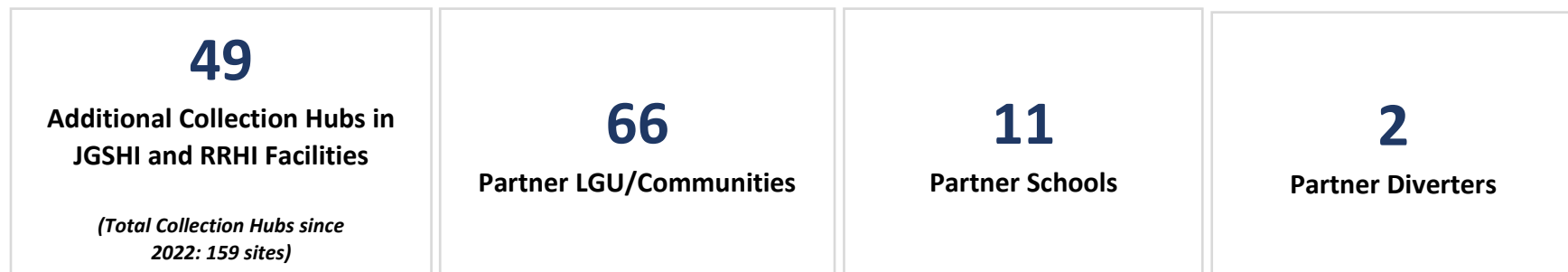
Led, by URC Juan Goal for Plastic was launched in 2022 and today has total of 159 collection hubs in our malls, stores and in communities where we operate. In 2023, our teams have partnered with 66 communities and 11 schools for plastic waste collection. Some notable key programs across all SBUs on plastic waste collection include the launching of URC Eco-warriors in URC plants, installations of wall-mounted plastic bins in the New Shopwise Gateway, collection during the Robinsons Supermarket 15th Fit & Fun Wellness Buddy Run and Renew-A-

Bottle machine now operational in Robinsons Galleria. URC also partnered with Holcim and other waste management providers to make sure that the plastic waste collected are processed or recycled, thereby keeping the plastic waste away from the landfill.

The key outcomes and positive impacts of these environmental initiatives include:

- Raising awareness and knowledge about plastic waste recycling in communities and providing long-term solutions to address the issue.
- Engaging communities and fostering partnerships with Local Government Units and Environment and Natural Resources Office partners.
- Increasing employee engagement and volunteerism within the JGSHI and RRHI.
- Supporting compliance with the Extended Producer Responsibility (EPR) required by law.
- These initiatives have gradually made a positive impact, influencing thousands of Filipino citizens to become more environmentally conscious, contributing to a happier and healthier environment step by step.

"Juan Goal for Plastic" has facilitated strong partnerships among communities, the Environment and Natural Resources Office (ENRO), schools, and other private entities that share our commitment to environmental advocacy. Overall, the Juan Goal for Plastic initiative underscores JGSHI's collaborative efforts and the positive partnerships it has forged with external organizations to solve the plastic waste issue.



## Food Rescue

### Channeling Surplus Edible Food Towards Alleviating Hunger

JGSHI has strengthened its partnership with Scholars of Sustenance Philippines (SOS PH), involving strategic business units (SBU) to integrate food security into its conglomerate-wide sustainability efforts. Recognizing the profound impact of nutrition on the well-being of children, the conglomerate emphasizes its dedication to redirecting edible food to those in need, thus contributing to Zero Hunger goals.

Scholars of Sustenance (SOS), a registered non-profit organization, is focused on tackling food waste and food insecurity issues in Southeast Asia. Operating in Thailand, Indonesia, and the Philippines, SOS collaborates with restaurants, food manufacturers, hotels, and retailers to rescue surplus, high-quality food and distribute it to communities in need.

Key business units of JGSHI such as URC together with various stores under RRHI, have actively participated in this initiative with SOS PH. Collaborations have resulted in substantial donations, with RRHI's banner brand No Brand encouraging mindful inventory practices to support local communities. Similarly, URC's business units, like URC Flour and Branded Consumer Food Group, have contributed to the cause, highlighting the collective impact achieved through this partnership.

Since December 2023, the conglomerate's units have collectively donated close to 38.8 tons of food, serving approximately 163,000 meals and curbing around 98,187 kg of CO<sub>2</sub> emissions by diverting surplus food from landfills.

Looking forward, the JGSHI plans to expand its partnership with SOS PH, exploring opportunities to integrate additional entities into its food rescue operations, further reinforcing its commitment to achieving food security for the nation.





## Juan Commitment Partnering with Employees in Cultivating Social Impact

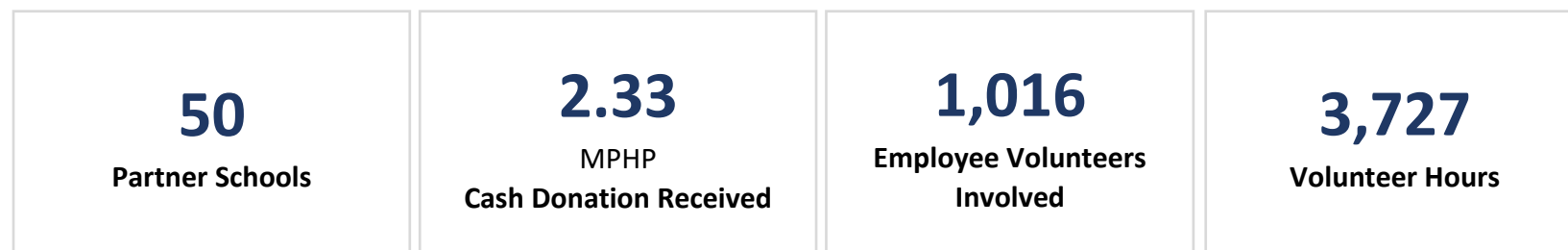
For over 30 years, JGSHI has been committed to Filipinos, and 2023 is no different. The group has launched a new initiative called #JuanCommitment - the JGSHI Volunteerism Program, which aims to build a better future through education.

#JuanCommitment is a volunteerism program committed to the country's progress through education in partnership with the Gokongwei Brothers Foundation (GBF), Corporate Affairs and Sustainability (CAS), and Corporate Human Resources (CHR). The main objective of this initiative is to strengthen relationships with the business units' localities and communities, demonstrating the group's unrelenting commitment to a group-wide volunteerism program and consolidated effort. This initiative is aligned with the JGSHI's commitment to stewardship and its value of giving back to the community.

The initiative started last year and is ongoing. The program targets a minimum of 50 schools nationwide with a Php 20,000 donation in kind per school during the Brigada Eskwela program of the Department of Education (DepEd). The help catered to the needs of each school. The program also introduced other ways to help through treasure, time, and talent. Employees are encouraged to share their treasure through fundraising and brand sponsorship, donate their time through onsite activities, and showcase their talent through arts and skill-building. This approach ensures that the assistance provided addresses the specific needs of each school, making a real difference in the lives of the students and the community.

The outcome of this initiative has been overwhelmingly positive. Aside from helping 50 schools nationwide, the program activated more than 1000 employees, contributing to more than 3700 volunteer hours. The program also raised P2.3 million pesos worth of donations, including the ones given by the GBF.

With all these results and impact on the community that we serve, the program will continue and evolve to enable our employees to contribute to the community through service and volunteerism. We will create a volunteerism framework for our employees that will guide how we can further support the vision of the GBF in helping the Philippines through education.



# Materiality

## Stakeholder Engagement

Keeping our focus on most relevant and key ESG issues

Effective stakeholder engagement enables companies to identify material issues and concerns that might impact their long-term viability. By actively involving stakeholders, we gain deeper understanding of their expectations, values, and potential risks, thereby fostering a collaborative approach to addressing shared challenges and contributing to positive outcomes.

Ultimately, the importance of stakeholder engagement lies in its ability to drive continuous improvement, align business practices with societal expectations, and contribute to the overall advancement of sustainable and ethical business conduct.

## 2023 Stakeholder Engagement Results

Stakeholders	Material Concerns	Modes of Engagement	Response
Investors and shareholders	<ul style="list-style-type: none"> <li>Financial growth and profitability</li> <li>Ethical standard for governance and business conduct</li> <li>Commitment and targets to social and environmental responsibility especially on Climate Change</li> </ul>	<ul style="list-style-type: none"> <li>Result briefings through Quarterly and Annual Reports</li> <li>Annual stockholder meetings</li> <li>Disclosures to the Philippine Stock Exchange and other pertinent agencies</li> <li>Meetings with investors</li> <li>Oversight of the Board through its Governance, Nomination, Remuneration and Sustainability Committee (GNRSC)</li> <li>Correspondence with ESG rating agencies (e.g., CDP, Sustainalytics, MSCI)</li> </ul>	<ul style="list-style-type: none"> <li>Continuous development of business strategy to improve financial and operational performance</li> <li>Compliance with laws and regulations</li> <li>Adherence to good governance principles</li> <li>Incorporation of sustainability to business strategy</li> <li>Enhanced sustainability disclosure to include strategy to reach targets along with milestones</li> <li>Communication of received feedback to top management through Executive Leadership Council (ELC) meetings to further incorporate sustainability into business strategy</li> </ul>

Stakeholders	Material Concerns	Modes of Engagement	Response
Employees	<ul style="list-style-type: none"> <li>• Competitive compensation and benefits</li> <li>• Frequent career conversations between employees and their managers</li> <li>• Exposure to career advancement opportunities</li> <li>• Positive work culture driven by purpose, values and community</li> </ul>	<ul style="list-style-type: none"> <li>• Town hall meetings</li> <li>• Open dialogues</li> <li>• Pulse Employee Engagement Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous benchmarking to ensure up to date provision of competitive salaries, benefits, and employee growth initiatives such as formal training and e-training</li> <li>• Strong partnership between HR and leadership on employees' performance management and development</li> <li>• Setting of town hall meetings and other avenues for employee communication</li> <li>• Adherence to good labor practices and workplace standards</li> <li>• Purpose and values-driven initiatives to strengthen group identity, engagement and community</li> </ul>
Suppliers and service providers	<ul style="list-style-type: none"> <li>• Lasting business commitments</li> <li>• Complying to sustainable policies of JGSHI</li> <li>• Timely payment</li> </ul>	<ul style="list-style-type: none"> <li>• Vendor audits</li> <li>• Open line communication</li> </ul>	<ul style="list-style-type: none"> <li>• Execution of purchasing ethics, strategic purchasing, and supplier relationship management</li> <li>• Strict implementation of Supplier Accreditation Policy</li> <li>• Practice of due diligence in processing liabilities</li> </ul>
Regulators and government bodies	<ul style="list-style-type: none"> <li>• Legal compliance with laws and regulations</li> <li>• Comments and improvements on legislative proposals</li> <li>• Partnership in social and environmental responsibility</li> <li>• Feedback and suggestions on existing policies, laws and regulations affecting our other stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Annual and Sustainability Reports</li> <li>• Statement of compliance</li> <li>• Licenses to operate</li> <li>• Position Papers</li> <li>• Corporate social responsibility programs</li> <li>• Association and/or community engagement with discussion regarding policies, laws and regulations affecting the association members and/or communities</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with laws and regulations</li> <li>• Submission of official position papers on legislative proposals</li> <li>• Implementation of initiatives to support government programs (e.g., Lingkod Pinoy Centers and tree planting)</li> <li>• Drafting and submission of feedback and suggestions for and on behalf of the Association and/or community</li> </ul>

Stakeholders	Material Concerns	Modes of Engagement	Response
Communities	<ul style="list-style-type: none"> <li>Community engagement and development</li> <li>Responsible environmental management</li> </ul>	<ul style="list-style-type: none"> <li>Corporate social responsibility programs</li> <li>Environmental compliance programs</li> </ul>	<ul style="list-style-type: none"> <li>Continuous development and design of projects and programs that respond to community needs</li> <li>Compliance with environmental standards</li> </ul>
Customers of SBUs	<ul style="list-style-type: none"> <li>Product quality</li> <li>Health and safety</li> <li>Marketing and labelling</li> <li>Data Privacy</li> </ul>	<ul style="list-style-type: none"> <li>Open communication channels</li> <li>Customer Satisfaction Survey</li> </ul>	<ul style="list-style-type: none"> <li>Quality assurance for products and services of each SBU</li> <li>Implementation of environmental, safety, and quality standards and assurance systems</li> <li>Proper marketing and labelling for product content, usage and service inclusions</li> <li>Enhanced JGSHI-wide information security system to prevent any data leak and security breach</li> </ul>

### Our Investor Engagement Process

JGSHI frequently engages with the capital markets to discuss its ESG practices through local and international investment conferences regularly hosted by stockbrokers, one-on-one meetings with current and potential investors, and, at times, non-deal roadshows in key financial cities worldwide. Material ESG topics usually covered in these discussions include carbon emissions, product safety, and corporate governance, among others. Aside from communicating the company’s ESG performance, these interactions also serve as venues for the company to collect feedback and better understand the topics and information that are important to investors.

The feedback received by the company during these engagements are in turn communicated to top management through its monthly Executive Leadership Council (ELC) meetings, which is comprised of the company’s corporate center unit (CCU) heads and the CEOs of its SBU. Aside from feedback from investor engagements, the ELC also discusses ways to maximize the group's ecosystem in creating and implementing ESG initiatives, better understand emerging trends related to sustainability, and exchange best practices across the conglomerate, among others. The members of the ELC then cascade relevant information to their respective business units and are responsible for ensuring that these are considered in the unit's strategy and plans. In addition to the involvement of top management, the

Board of Directors also has a role in the company's Sustainability journey through its Governance, Nomination, Remuneration and Sustainability Committee (GNRSC), which meets at least twice a year, and oversees the development and implementation of corporate governance principles and policies. The committee also has the responsibility to ensure overall company support and alignment with appropriate standards and best practices on economic, environmental, social and governance (EESG) and sustainable development.

Apart from these, JGSHI also regularly provides updates on the company's Sustainability journey, as well as its progress against ESG commitments and targets through (1) quarterly results briefings, (2) annual reports, (3) annual shareholder meetings, (4) timely disclosures to the Philippine Stock Exchange and other pertinent agencies, and (5) engaging with ESG raters such as CDP, Sustainalytics and MSCI. These reports are anchored on the outcome of the ESG Excellence project that the company conducted in 2022. Through questionnaires and follow up interviews, this project dove deeper into how investors incorporate ESG into their analysis and investment decisions and helped surface their top concerns and data requirements. JGSHI recognizes that these factors continue to evolve, and the company monitors such by constantly engaging with the capital markets and by conducting deep dives periodically or as circumstances require.

### Our Supplier Engagement Process

In the fast-paced world of business, where change and uncertainty reign, making lasting commitments is vital for success and building trust. Two key strategies stand out: following sustainable standards and ensuring suppliers are paid on time. Not only do these practices uphold moral integrity, but they also pave the way for strong, thriving businesses.

Procurement holds a significant role in shaping our current company culture. It establishes standards for supplier qualifications, focusing on social responsibility, economic viability, and sustainability. Embracing sustainable policies means committing to ethical and legal practices and participating to community development goals. Supplier qualifications are part of a thorough process to define our business partnerships. Once accredited, suppliers attend Quarterly Supplier Onboarding to learn about business opportunities and procurement guidelines.

Balancing profit with moral obligations poses a challenge in maintaining sustainable policies. However, the shift towards sustainability shows they can coexist. Proactive businesses understand that sustainable practices not only mitigate risks but also usher innovation, enhance brand reputation, and attract ethical customers and investors.

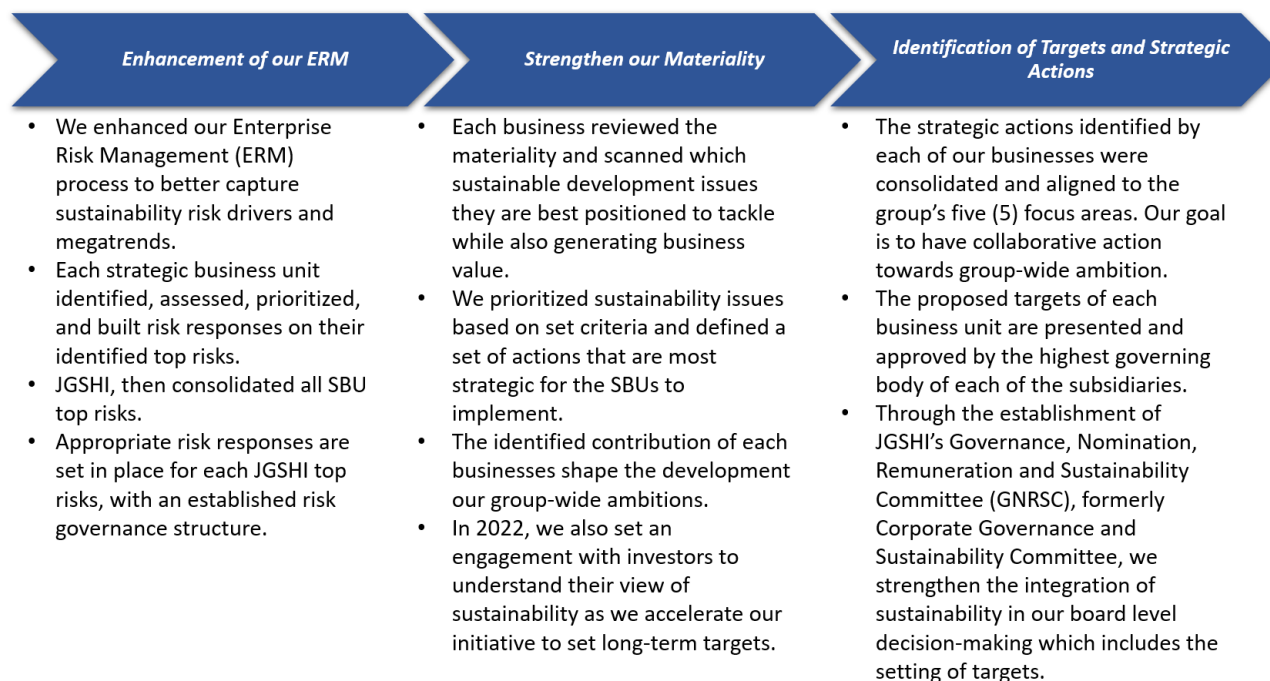
## Our Sustainability Focus Areas and ESG Targets

### Staying committed to tackling sustainability challenges

Our stakeholder engagement initiatives serve as a keystone, providing invaluable insights into the concerns and priorities of diverse stakeholders. Simultaneously, our enterprise risk management processes offer a comprehensive lens through which we assess each issue's potential impact on critical facets of our operations. These include but are not limited to, evaluating its implications on business performance, addressing stakeholder concerns, ensuring regulatory compliance, safeguarding against reputational risks, and fostering the long-term sustainability of our organization.

Together, these processes form a dynamic framework that not only enhances our understanding of sustainability challenges but also empowers us to proactively address them. By leveraging stakeholder engagement and enterprise risk management in tandem, we are better equipped to navigate the complexities of our operating environment, mitigate risks, seize opportunities, and drive sustainable value creation for all stakeholders involved.

In 2022, we embarked on refreshing our materiality and developed our ESG targets as described in the process below:



Focus Area	Target	Key Actions	2023 Progress
<p><b>Climate Action</b></p> <p>We will ensure a low-carbon transition for our businesses and strengthen our climate-related risk management.</p>	<p><b>Major hotspots<sup>1</sup> are assessed and managed on climate risk by 2030</b></p> <p><b>Low carbon transition roadmap released by 2025, as we aspire to achieve net zero by 2050</b></p>	<p><b>Resilience (Climate Adaptation):</b></p> <ul style="list-style-type: none"> <li>• <b>2023</b> – Initiate Scenario Analysis in selected JGSHI hotspots<sup>1</sup> (Metro Manila, Batangas City)</li> <li>• <b>2024/2025</b> – Continue Scenario Analysis in hotspots<sup>1</sup></li> <li>• <b>2030</b> – Complete remaining hotspots<sup>1</sup></li> </ul> <p><b>Low Carbon Transition (Climate Mitigation):</b></p> <ul style="list-style-type: none"> <li>• <b>2023</b> – Alignment to Science-Based Targets Initiative (SBTi)</li> <li>• <b>2024</b> – Evaluate our carbon reduction initiatives and offset opportunities</li> <li>• <b>2025</b> - Explore carbon removal technologies and business models</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Hazard Assessment of 292 sites across JGSHI and RRHI included the modeling of top hazards: Typhoon cyclone, flooding, extreme heat and sea-level rise. Heat maps are available to show the low to high risk location per hazard.</li> <li>• We initiated facility level Climate Scenario Analysis for identified sites in Metro Manila and Batangas City.</li> <li>• Carbon footprint audit was conducted across SBUs to identify areas of improvement. All SBUs have re-examined their carbon footprint and initiated Scope 3 carbon footprint development.</li> <li>• CEB revisited their progress towards Science Based Targets. All SBUs evaluated alternative renewable energy sources.</li> </ul>

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

Focus Area	Target	Key Actions	2023 Progress
<p><b>Resource Efficiency &amp; Circularity</b></p> <p>We optimize our use of natural resources and foster circularity in all our businesses.</p>	<p><b>Plastic neutrality by 2030<sup>2</sup></b></p>	<p><b>Circularity: Post Consumer Plastic wastes across the group are fully recovered and diverted</b></p> <ul style="list-style-type: none"> <li>• 2023 - 20% of plastic waste footprint</li> <li>• 2024 - 40% of plastic waste footprint</li> <li>• 2025 - 50% of plastic waste footprint</li> <li>• 2030 - 100% of plastic waste footprint</li> </ul>	<ul style="list-style-type: none"> <li>• JGSHI Strategic Business units that are Obligated Enterprises under the Extended Producers Responsibility Act formed a collective and continued its efforts with an ecosystem approach in collecting and diverting plastic waste.</li> </ul>
<p><b>Employee Growth and Well Being</b></p> <p>We nurture our people by investing in their growth and well-being.</p>	<p><b>Zero lost-time incident annually</b></p> <p><b>JGSHI Employees receives an average of 24 training hours annually per employee</b></p>	<p><b>Continue Safety initiatives and monitoring of safety incidents</b></p> <p><b>Continue provision of online and face to face trainings for all JGSHI employees</b></p>	<ul style="list-style-type: none"> <li>• 26% decrease from 66 to 49 Lost time incidents</li> <li>• Average of 21 training hours per employee in 2023</li> </ul>
<p><b>Shared Success</b></p> <p>We continually grow and invest in our businesses as we enable our people and partners to grow with us.</p>	<p><b>All major vendors are aligned and comply to JGSHI key ESG practices by 2025</b></p>	<p>All key partners and vendors are assessed on ESG risks</p> <p><b>2023:</b> Relevant supplier ESG risk parameters are identified</p> <p><b>2024:</b> All key suppliers go through assessment process</p>	<ul style="list-style-type: none"> <li>• URC continued its Supplier Food Safety and Quality Management System (FSQMS) Audits based on supplier risk assessment and supplier prioritization criteria to ensure the quality and safety of goods supplied to the company.</li> <li>• Sustainability overview delivered to engage Procurement Officers from various business units to initiate collaboration with suppliers.</li> </ul>

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

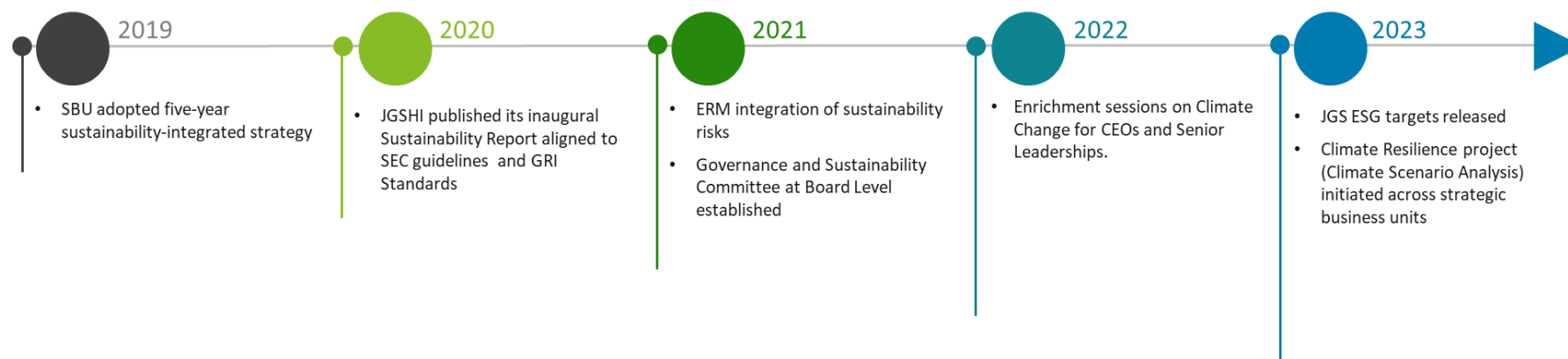


Focus Area	Target	Key Actions	2023 Progress
<p><b>Better Choices</b></p> <p>We innovate for more accessible and responsive products and services to offer better choices to Filipinos and enable them to live the life they want for themselves.</p>	<p><b>For URC (updated target), by 2030</b> - 100% passing 3 wellness criteria (BCF PH and INTL)</p> <p><b>For RLC</b> - 100% of new office buildings in Metro Manila will be GREEN Certified starting 2021</p> <p><b>For CEB</b> - 34 million passengers, 100 routes and 50 destinations, 39 million seat capacity by 2026</p> <p><b>For JGSOC</b> - Expanded polymer product portfolio of EVALENE and EVALENE PLUS by 20% in 2027 - Potential for increased incorporation of recyclates, up to 50%, in 2029 for targeted resin grades</p>	<p>The group will continue to offer better choices through:</p> <ul style="list-style-type: none"> <li>• <b>Healthier and nutritious food;</b></li> <li>• <b>Greener buildings;</b></li> <li>• <b>Affordable and accessible flight options; and</b></li> <li>• <b>Innovative petrochemical products</b></li> </ul>	<ul style="list-style-type: none"> <li>• Total URC Wellness Score for 2023 using updated criteria showed 86% passed 3 URC Wellness Criteria</li> <li>• 6 new Metro Manila Buildings are Green Certified</li> <li>• 20.9 million passengers; 104 routes (68 Domestic, 36 International); 60 destinations (35 Domestic, 25 International); 24.8 million seat capacity</li> <li>• Our operations can now produce bimodal and metallocene PE grades that are tougher than commodity PE.</li> <li>• Certification by UL Solutions, a third-party global safety science company, through their Environmental Claim Validation (ECV) program, of JGSOC's two (2) EVALENE PLUS® random copolymer polypropylene (PP) injection molding grades.</li> </ul>

# Our Approach to Managing Climate Risks

Incorporating climate risk management seamlessly

## I. Our journey towards climate action



Over the past years, JGSHI has made significant strides in climate action. This journey began in 2019 with the launch of a five-year sustainability-integrated strategy across our SBUs and in 2020 with the publishing of our inaugural Sustainability Report.

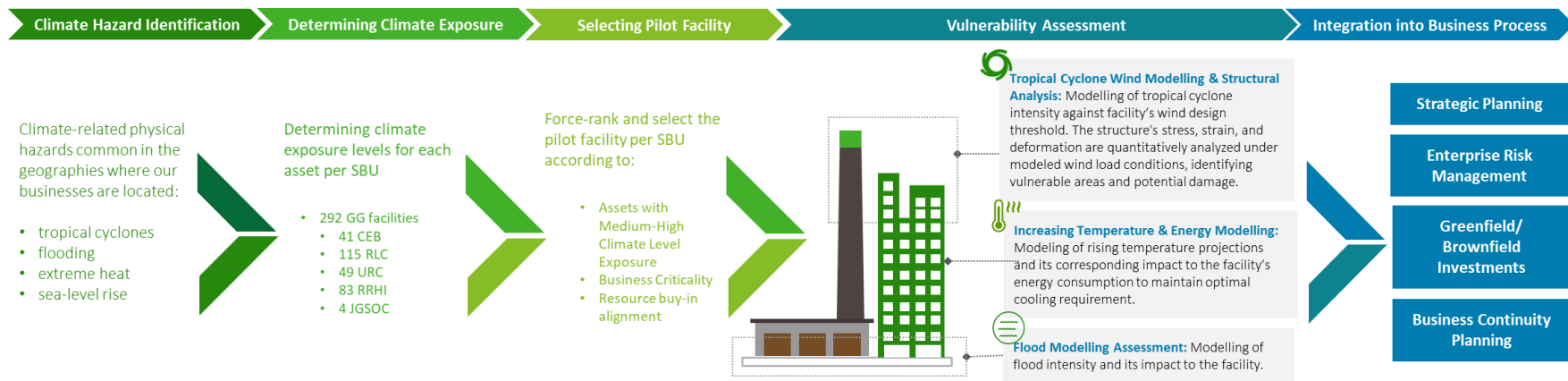
In 2021, we embedded sustainability and climate risk considerations into our ERM framework. We also established a dedicated Governance and Sustainability Committee at the board level to drive our sustainability and climate agenda. Building on this foundation, 2022 focused on deepening the understanding of the link between business operations and climate impacts. We conducted enrichment sessions on Climate Change for CEOs and Senior Leadership.

Continuing our momentum, 2023 marked the release of group-wide ESG targets, including climate action goals. We also initiated our climate resilience journey. This involved assessing our exposure to physical climate hazards and conducting vulnerability assessments of selected pilot facilities to develop tailored adaptation strategies. These proactive steps position us to adhere to anticipated updates to sustainability reporting guidelines, such as the SEC SR Guidelines. These milestones lay the groundwork for a strategic shift towards a more sustainable and climate-resilient future, setting the tone for years to come. (For future plans, refer to the [Looking Ahead section](#).)

## II. Our approach and strategy in climate resilience

Situated in an archipelagic region prone to tropical cyclones, our businesses face such inherent climate hazards. Intense tropical cyclones, flooding, and rising temperatures could adversely impact our assets, operations, and workforce. As a foundational step in our climate strategy, we have identified and assessed climate-related physical risks and opportunities at a facility-level, alongside their operational and business impacts. We have evaluated our climate resilience in coping with the various climate scenarios. This process allowed us to gauge the inherent resilience of our assets and develop tailored risk mitigation strategies to enhance operational efficiency and business continuity. This targeted analysis represents the first phase of a broader strategy that we plan to be replicated across our portfolio of critical operational assets and to our new investments. We are integrating this climate resilience assessment into our business processes, utilizing them to refine strategic planning, and strengthen our Enterprise Risk Management and Business Continuity Planning. This ensures our approach to managing climate risks is robust and actionable at the operating unit level.

**Figure 1. Overview of our Climate Resilience Assessment Process**



### *a. Understanding climate scenarios to inform strategy*

Understanding climate information is crucial for assessing the impact of both physical and transition risks across various future scenarios and making informed decisions for adaptation and mitigation strategies. This is critical as it allows us to assess potential future impacts of both physical hazards and the transition to a low-carbon economy. By considering various climate futures, we can make informed decisions on adaptation strategies to strengthen our operations and mitigation efforts to reduce our environmental footprint, ensuring long-term business resilience.

IPCC's Representative Concentration Pathways (RCP) 8.5 and 4.5 was selected for our analysis. RCP 8.5 represents a high emission scenario, indicating a future where greenhouse gas emissions continue to rise rapidly leading results in greater impacts from physical hazards such as higher global temperature increase, intense extreme weather events and faster sea-level rise as a consequence of inaction on climate change. Conversely, RCP 4.5 represents a scenario where emissions peak around mid-century before declining. By considering both pathways, we encompass a broad spectrum of potential future emissions trajectories for climate-related physical risks.

Our definitions of short-term (1-5 years), medium-term (6-15 years), and long-term (16 years and beyond) closely mirror the general timeframes used in our strategic decision-making. The 2030-2060 timeframe, which falls under medium-term to long-term, was chosen to match the projected timelines of climate models and the operational lifespan of assets, ensuring the assessments remain relevant. Additionally, in 2025, we plan to evaluate the impacts of the low-carbon transition and climate-related transition risks and opportunities on our business under the RCP 2.6 scenario.

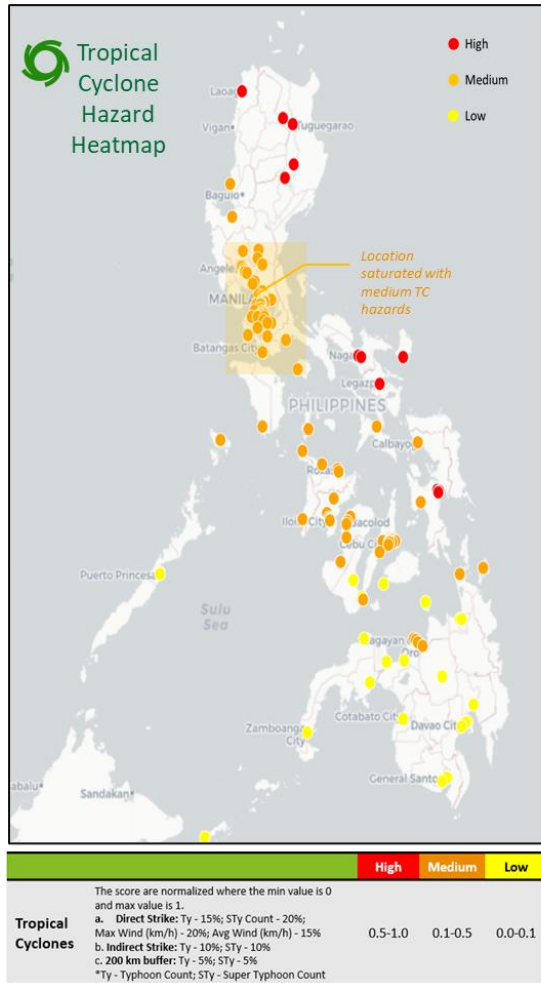
#### *b. Using the right climate models and tools*

We applied available physical climate-risk models that incorporates the current advancements in climate science from peer-reviewed scientific studies and is subject to refinement as climate science evolves. For temperature projections, we rely on the high-resolution data from the Coordinated Regional Climate Downscaling Experiment for Southeast Asia (CORDEX-SEA), ensuring detailed spatial and temporal analysis. The assessment of future tropical cyclone frequency and intensity utilizes data from the IPCC's Coupled Model Intercomparison Project Phase 6 (CMIP6), which incorporates atmospheric, oceanic, land surface, and sea parameters. Additionally, our flood modeling is conducted using hydrological analysis with Hydrologic Engineering Center – Hydrologic Modelling System (HEC-HMS) to generate hydrographs and flood maps, incorporating projected rainfall data from PAG-ASA's Climate Information and Risk Analysis Matrix (CLIRAM), ensuring our models are both current and with high spatial and temporal resolution to capture the specific climatic feature of the region.

#### *c. Mapping and assessing climate hazard exposure levels across our facilities*

As first step in ensuring long-term resilience of our operations, we conducted a comprehensive climate hazard exposure assessment across RRHI and JGSHI facilities (292 locations) within our Strategic Business Units (SBUs) of CEB, JGSOC, URC, and RLC. This assessment focused on four key climate hazards: flooding, sea level rise, extreme heat, and tropical cyclones. We leveraged geospatial mapping to pinpoint the location of each facility in relation to potential climate hazards which allowed us to assess the corresponding level of climate exposure for each facility. This crucial first step has enabled us to prioritize facilities that require a deeper vulnerability analysis.

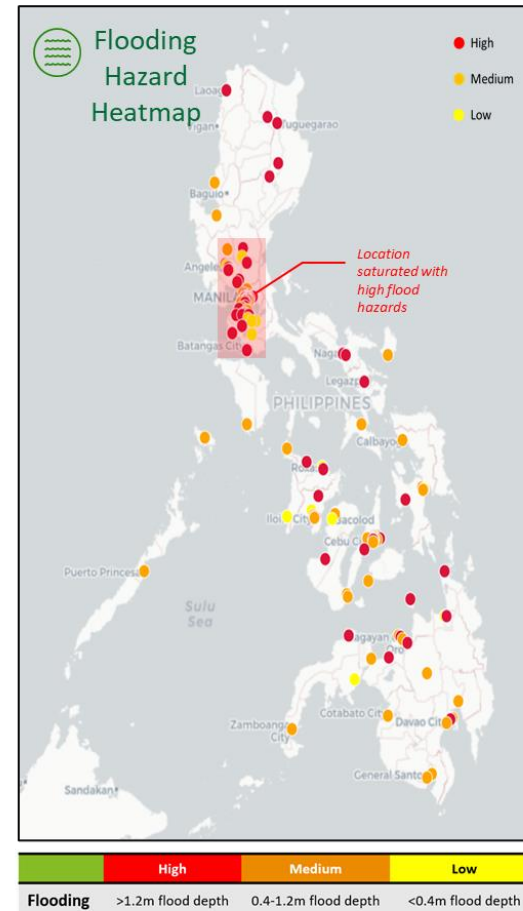
Key findings reveal that 46% of facilities are at high flood hazard levels, 45% in low-lying coastal areas may face sea level rise impacts, 8% are exposed to high heat hazards, and 8% to high tropical cyclone risks, highlighting distinct vulnerability profiles across our group's locations.



**Tropical Cyclones**

8% of facilities are exposed to high TC hazard level, mostly located in northern Luzon and eastern region, while 79% experienced medium-level. Facilities in Mindanao exhibit low exposure to TCs.

Eastern regions are hardest hit since cyclones tend to weaken after landfall due to friction with terrain.



**Flooding**

46% of facilities are exposed to a high flood hazard level.

The primary reason appears to be the dense urban locations of these facilities, where natural water drainage may be hindered by concrete and other infrastructure.

Hazard Level	Facility Count
High	98 (46%)
Medium	73 (35%)
Low	19 (9%)
Data Unavailable	21 (10%)
<b>Total</b>	<b>211</b>



### Sea Level Rise

45% of facilities are **at-risk** in **low-lying coastal zones** with elevations under 10m. By 2050, a **projected sea level rise of up to 0.24m** could materially affect half of these.

Even if higher-elevated facilities remain dry, they could still face secondary challenges, such as access issues due to surrounding infrastructure being affected.



### Heat

8% of facilities are exposed to a **high heat hazard** level. These facilities are primarily located in the central Luzon plains and Cagayan valley, with a few locations in coastal Mindanao.

Primary regions of high heat hazard exposure appear to be characterized by low elevation and a flat landscape sandwiched by mountainous areas.

#### d. Assessing climate vulnerability at pilot facilities

To optimize our climate risk adaptation strategies and resources, we selected pilot facilities for a detailed vulnerability assessment. We collaborated closely with key representative leads within each SBU and applied a forced ranking process. This process prioritized facilities with medium-high climate exposure, critical importance to our business, and resource buy-in from the SBU.

The chosen pilot facilities underwent an in-depth vulnerability assessment, employing a range of advanced methodologies. These included:

- **Tropical Cyclone Wind Modeling & Structural Analysis:** We modeled the potential intensity of tropical cyclones against each facility's wind design threshold. This detailed analysis identified vulnerable areas and helped us quantify potential damage risks.
- **Increasing Temperature & Energy Modeling:** Rising temperatures were simulated to forecast the impact on energy consumption within each facility, helping us optimize cooling systems and energy management.
- **Flood Modeling Assessment:** We projected precipitation changes and used hydrological and hydraulic modeling to understand their potential impact on facilities, allowing us to plan flood mitigation measures.

This assessment provides actionable insights for enhancing our climate resilience. We now have a robust understanding of the specific vulnerabilities of each pilot facility and allows us to tailor risk mitigation strategies, make targeted investments in structural upgrades, and develop contingency plans. Our commitment to this data-driven approach ensures that we protect our assets and ensure business continuity amidst increasing effects of climate change.

### **Case Study of JG Summit Olefins Corporation's Petrochemical Plant: Beyond process safety design, ensuring adaptive measures to climate risks**

Climate Scenario Analysis has indicated that JGSOC's Petrochemical Plant, considering its location, is exposed to increasingly intense tropical cyclones. Nonetheless, a wind damage assessment conducted on a representative tower asset demonstrated its capacity to withstand extreme winds of up to 260 kph, aligning with projections for intensifying typhoon intensity impacting the facility's location. This evaluation will also be systematically applied to the other critical asset archetypes to ensure comprehensive risk coverage.

Moreover, the risk of disruptive floods is deemed low, attributed to the plant's elevated topographical setting. Historical records reinforce this outlook, showing no significant typhoon damage or flood-related operational disruptions at the plant, reflecting a proactive emphasis on process safety in its engineering design.

JGSOC will continuously be implementing adaptive measures such as emergency response testing and regular preventive maintenance to fortify its resilience against the evolving challenges of climate change. The proactive integration of climate-related risks and opportunities into the company's overarching strategy will further enhance its capacity to navigate and thrive in a changing climate landscape.

Figure 2. Illustration on the tropical cyclone wind modeling & structural analysis of the caustic tower of JGSOC

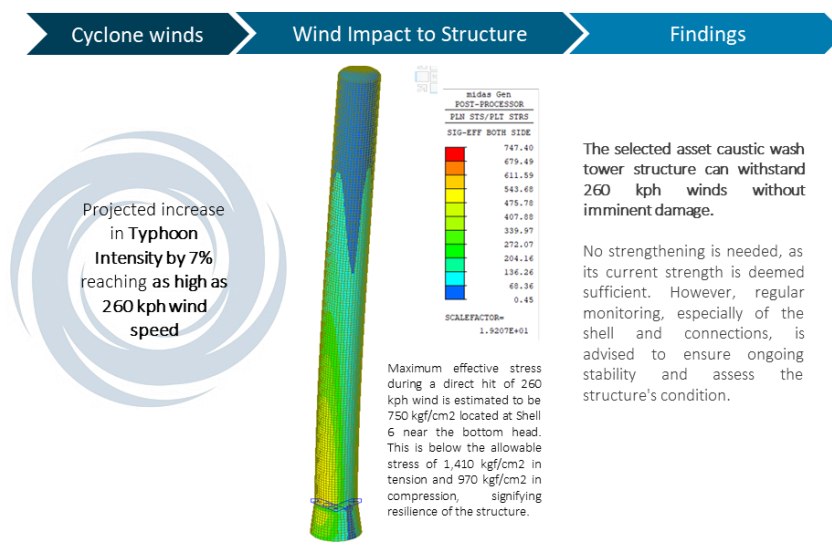


Table 1. Material climate-related physical risks to JGSOC

Climate hazard	Time horizon	Description	Potential financial impact	Adaptation measures
Tropical cyclones (TC)	Medium – Long term (2030 -2060)	<ul style="list-style-type: none"> <li>Total count of tropical cyclones expected to make a direct hit (within 50 km of the facility) is projected to increase</li> <li>Peak hit months of TCs is projected to shift from October to September</li> </ul>	<ul style="list-style-type: none"> <li>Increased costs associated with asset repair or replacement and related to addressing safety concerns,</li> <li>Decreased revenue attributed to disruptions in supply chain logistics due to intense tropical cyclones and possible inundation in access roads.</li> </ul>	<ul style="list-style-type: none"> <li><b>Regular Maintenance.</b> Petrochemical facilities are designed with rigorous safety standards, however regular maintenance and inspection schedules need to be proactively conducted to assess equipment integrity and leaks which may be exacerbated by tropical cyclone and flooding.</li> <li><b>Emergency Response Plan:</b> Constantly assess and test the business continuity and emergency response for different typhoon and flooding scenarios in process areas and access roads.</li> <li><b>Back-up power:</b> Ensure redundant back-up power to prepare in case of power outage from local distribution utility due to intense tropical cyclones</li> <li><b>Anticipate the shift in the peak month for tropical cyclone:</b> Plan activities in earlier months especially the outdoor plant maintenance activities.</li> </ul>
Flooding	Long-term (2050)	<ul style="list-style-type: none"> <li>Access roads to the plant are susceptible to flooding but low-risk inside the plant</li> </ul>		



e. *Informing strategic decisions: Key climate risk adaptation measures of pilot facilities*

To inform strategic decision-making and resource allocation, we assessed the potential impacts of climate change on our pilot facilities. The table below provides an overview of the key climate risks identified for each facility, along with their potential financial implications. Based on this assessment, SBUs will take the lead in developing and implementing operational adaptation measures specific to their facilities. JGSHI will drive the development and implementation of broader strategic adaptation measures that benefit all SBU facilities in the coming years.

**Table 2. Key climate-related physical risks**

Physical risks	Climate hazard	Time horizon	Potential financial implications	Adaptation measures
Acute	Tropical cyclones	Medium to Long-term	<ul style="list-style-type: none"> <li>Increased costs related to the maintenance, repair, or replacement of damaged facility's infrastructure, and equipment.</li> <li>Decreased revenue attributed to disruptions in operations and supply chain logistics.</li> <li>[Aviation] Decrease in revenue due to flight schedule changes, delays, and cancellations.</li> </ul>	<ul style="list-style-type: none"> <li><b>Emergency response planning:</b> Constantly assessing and testing the emergency response plans for different scenarios of tropical cyclone and flooding.</li> <li><b>Data-driven approach:</b> [Aviation] Utilizing a weather forecasting system to assist flight crews with reliable typhoon path information, facilitating timely decisions to mitigate operational risks posed by adverse weather conditions.</li> <li><b>Insurance:</b> Periodic assessment of insurance coverage, considering the results of the vulnerability assessment.</li> <li><b>Partnerships:</b> Collaborating with local disaster risk reduction and management offices and airport authorities to enhance localized resilience.</li> <li><b>Preventive maintenance:</b> Regularly conducting inspection and preventive maintenance measures for any wear, tear, and damages.</li> <li><b>Flood Defenses:</b> Periodic assessment and maintenance of flood drainage and defense mechanisms</li> </ul>
	Flooding	Medium to Long-term	<ul style="list-style-type: none"> <li>Potential revenue losses associated with interrupted logistics, loss of inventory, and operational slowdowns caused by flooding.</li> </ul>	
Chronic	Extreme temperatures and heat stress	Medium to Long-term	<ul style="list-style-type: none"> <li>Increased operational costs due to the need for enhanced ventilation and cooling systems, leading to higher electricity consumption.</li> <li>Lower productivity due to extreme heat</li> </ul>	<ul style="list-style-type: none"> <li><b>Optimal Cooling and Ventilation:</b> Optimizing ventilation, air conditioning, or cooling stations to meet the cooling requirements of people and inventory while reducing costs.</li> </ul>

*Time Horizon: Short-term:(1-5 years) (2025-2029); Medium-term:(6-15 years) (2030-2044); Long-term: (16 years and beyond) (2045 and beyond)*

f. *Embracing climate-related opportunities*

We recognize the importance of transitioning to a lower-carbon economy. This strategic shift has driven several initiatives across our facilities:

- **Increased Use of Renewable Energy:** We are focusing on generating solar and biomass energy on-site, while also sourcing green energy from the grid.
- **Sustainable Aviation Leadership:** Our aviation division, CEB, champions sustainability by adopting fuel-efficient aircraft, integrating sustainable fuels, and modernizing ground support equipment with electric vehicles. These efforts all align with our net-zero goals.

**Table 3. Key climate-related opportunities**

Category	Opportunity	Potential Financial Impact	Measures	Time Horizon
Resource efficiency	<ul style="list-style-type: none"> <li>• Maintain the commitment to asset modernization by consistently acquiring and integrating energy-efficient equipment and assets, particularly those with low-carbon emissions.</li> </ul>	<ul style="list-style-type: none"> <li>• Lower operating cost because of higher energy efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• [Aviation] Continue expanding the network of partners to increase the supply of Sustainable Aviation Fuel. <a href="#">Read more.</a></li> <li>• Continue transitioning and using more energy-efficient and reliable utility equipment. <a href="#">Read more.</a></li> <li>• [Aviation] Implement a more efficient mode of transportation for passenger movement and/or for facilitating distribution and procurement processes. <a href="#">Read more.</a></li> </ul>	Medium – Long term
Energy source	<ul style="list-style-type: none"> <li>• Continue moving towards a low-carbon economy by optimizing the utilization of renewable energy.</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced operating costs as these technologies are expected to mature and become more cost-efficient in the future.</li> <li>• Enhanced organizational reputation and strengthened competitive advantage through energy cost savings and alignment with customer preferences</li> </ul>	<ul style="list-style-type: none"> <li>• Continue partnerships with renewable energy providers to secure long-term, fixed-rate energy contracts that stabilize costs and guarantee access to clean energy. <a href="#">Read more.</a></li> <li>• [URC] Increase capacity of existing renewable energy technologies in operations. <a href="#">Read more.</a></li> </ul>	Short – Medium term

*Time Horizon: Short-term:(1-5 years) (2025-2029); Medium-term:(6-15 years) (2030-2044); Long-term: (16 years and beyond) (2045 and beyond)*

### *g. Resilience of the Organization's Strategy*

Our climate scenario analysis projects an intensification of typhoons, posing a potential material impact on our operations. In this regard, our SBUs have started to adapt resilience measures against extreme climate events. CEB, for example, has established an Operations Planning Group to proactively manage the impact of forecasted weather events in coordination with various departments and airport authorities. Furthermore, we recognize the need to implement engineering interventions, including targeted retrofitting, for older facilities that are vulnerable to the projected typhoon intensity. Our insurance coverage extends to weather-related impacts, and our business continuity plans are continuously being reviewed and will be updated to reflect the anticipated climate risks.

Recognizing the dynamic nature of climate science, we commit to regularly evaluate the robustness of our climate strategy. This ensures our operational practices and investments align with sustainability and climate resilience goals. For 2025, we plan to release our low-carbon transition roadmap that includes the result of transition risks assessment. This proactive approach will help us mitigate risks while also identifying new prospects within the growing climate-resilient marketplace. Through proactive risk management and strategic foresight, we strive to ensure the long-term resilience and sustainability of our operations and the broader value chain.

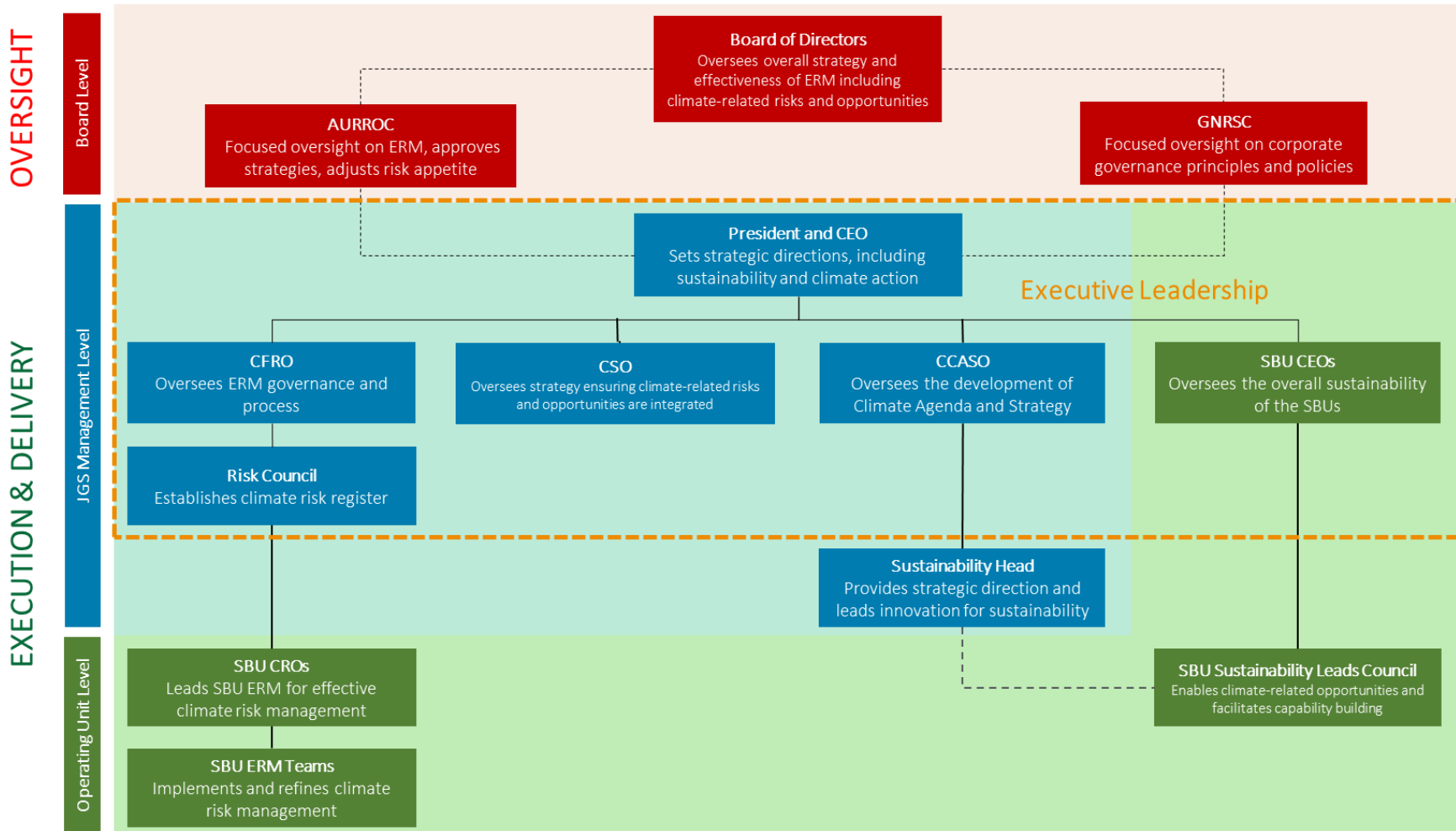
### III. Our Climate Governance from board oversight to operational execution

We recognize the critical role of climate governance in navigating the evolving challenges of climate change. Our leadership structure enables proactive management of potential risks posed by climate change, while simultaneously identifying and seizing new opportunities.

Our governance structure enables informed decision-making at multiple levels:

- **Board Oversight:** The Board provides top-level oversight, ensuring the effectiveness of our overall climate strategy.
- **Management Execution:** The Management Level focuses on integrating the climate agenda throughout the whole portfolio, and reports progress to the Board.
- **Operational Integration:** Operating units implement the climate-related strategy, ensuring its integration within day-to-day activities and alignment with corporate goals.

Figure 3. Climate Governance Structure



a. The Board holds the principal oversight of climate-related risks and opportunities

The **Board of Directors** oversees the management of climate-related risks and opportunities, ensuring that climate considerations are seamlessly integrated into our strategies, procedures, and systems. The Board, through the **Audit, Risk, and Related Party Transaction Oversight Committee (AURROC)**, evaluates management's actions on risk matters, and reviews and approves **Objectives, Goals,**

**Strategies, and Measures (OGSM)** to accelerate our sustainability and climate action initiatives across the group's businesses and stakeholder engagements.

The AURROC initiates regular reporting to the Board on climate-related risks and material exposures. It proposes adjustments to risk appetite and tolerance in response to climate and business developments, regulatory changes, and significant external events. The AURROC oversees the ERM framework, ensuring policies adequately address climate-related risks for both operational and financial resilience. It also guides the development, implementation, and evaluation of our climate-related risk management plans.

Supporting the Board alongside AURROC is the **Governance, Nomination, Remuneration and Sustainability Committee (GNRSC)**, which oversees the development and implementation of corporate governance principles and policies, with a focus on Economic, Environment, Social, and Governance (EESG) aspects of sustainability. The GNRSC reported climate-related matters to the Board in two meetings in 2023. Furthermore, the GNRSC reviews and recommends approval of our Climate Disclosure Report for submission to regulatory bodies and public release. It also evaluates management's effectiveness in maximizing climate-related opportunities.

*b. The Executive Leadership Council manages climate risks and seizes opportunities*

Our **Executive Leadership Council**, composed of Corporate Center Unit Heads and Strategic Business Unit CEOs, addresses climate-related risks and opportunities. Led by the **President and CEO**, they develop and execute strategies to manage climate-related risks and maximize opportunities for the organization.

The **President and Chief Executive Officer (CEO)** sets the overall strategic direction for the conglomerate, including our approach to sustainability and climate action, playing a central role in driving climate initiatives, managing climate risks, and ensuring transparent reporting on our climate performance.

The **Chief Finance and Risk Officer (CFRO)** oversees our ERM processes, establishing a robust framework for managing climate-related risks, alongside other key business risks. The CFRO communicates significant climate risk exposures and mitigation plans to AURROC.

The **Chief Corporate Affairs and Sustainability Officer (CCASO)** develops strategies that align with the company's sustainability goals and commitments, including those related to climate change mitigation and adaptation. Engage with policymakers and regulatory bodies to advocate for policies that support climate action, such as carbon pricing mechanisms, renewable energy incentives, or emissions regulations.

The **Chief Strategy Office (CSO)** ensures that climate considerations are integrated into the company's broader business strategy and that ecosystem synergies are maximized, where possible, in approaching climate change as a group. Apart from this, the CSO also

participates in investor conferences, roadshows, and other engagement platforms to communicate the company's climate strategy, goals, and progress directly to investors. This provides an opportunity to address investor concerns, answer questions, and demonstrate the company's commitment to sustainability.

The CCASO and the CSO jointly oversee the development and integration of our climate transition plan into our businesses including setting climate targets and assessing climate risks and opportunities.

The **Sustainability Head** designs and leads the development of our Climate Resilience and Transition plans within which relevant risk and opportunities are identified and then help SBUs achieve climate related targets. The Sustainability head provides strategic directions, builds stakeholder relationships, and monitors Sustainability performance.

The **Risk Council**, composed of **JGSHI Corporate Center Unit (CCU) Heads**, plays a crucial role in establishing a climate risk register. They initiate enterprise-wide discussions on climate risks and provide feedback to risk owners. In a collaboration between the CFRO and Risk Council, expertise and guidance are combined with strategic direction and risk oversight to ensure effective management of both business and climate risks.

### *c. The role of our Strategic Business Units*

Our Strategic Business Units (SBUs) play a vital role in operationalizing our climate resilience strategies. SBU leadership implements and continuously refines risk management strategies to address climate-related challenges within their specific business areas.

The **SBU Chief Risk Officers (CROs)** spearhead the establishment of robust Enterprise Risk Management (ERM) frameworks within each SBU. These frameworks are tailored to effectively identify, monitor, assess, and manage key climate-related risks faced by the SBU.

**SBU CEOs** ensure alignment between climate and sustainability strategies and the company's overall goals. They monitor the effectiveness of these initiatives and report progress directly to the President and CEO.

The **SBU Sustainability Leads Council** further supports this effort by regularly reviewing each SBU's approach to climate risk management. This council proactively identifies climate-related opportunities, promotes knowledge sharing of best practices, facilitates capability building opportunities, and provides a platform for collaboration to maximize ecosystem strengths.

**SBU ERM Teams** play a crucial role in implementing and refining climate-related risk management strategies within their respective business units. They implement controls for climate risks, review the risk register, and recommend risk appetite adjustments for consideration by the SBU's Risk Council and CRO.

The **SBU Sustainability Leads Council** further supports this effort by regularly reviewing each SBU's approach to climate risk management. This council proactively identifies climate-related opportunities, promotes knowledge sharing of best practices, and facilitates training and periodic reviews for SBU employees.

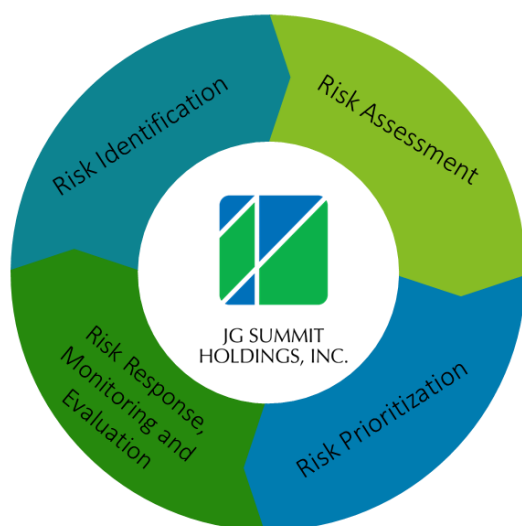
#### IV. Our approach to Risk Management

As discussed in the ERM and Internal Controls, our ERM strategy takes a holistic approach to both addressing climate-related risks and maximizing climate-related opportunities within our framework. Our comprehensive process embeds climate-related risks and opportunities into the overall ERM framework through the following steps: 1) *Risk Identification*, 2) *Risk Assessment*, 3) *Risk Prioritization*, and 4) *Risk Response, Monitoring, and Evaluation*.

##### *a. Integration of climate-related risk and opportunity management to the overall Enterprise Risk Management*

Climate-related risks and opportunities are integrated into our ERM system and managed at both the Management and Operating Unit Level. Identified as a Climate Risk category in the Group's risk register allows us increased focus on climate risk identification and mitigation. Climate-related risks undergo semi-annual reviews by the Risk Council and the Group Risk Management Committee. Furthermore, our commitment to decarbonization and the integration of an energy management system into our balanced scorecard underscore the inclusion of climate-related factors in our overall risk management strategy. Climate risk assessment and climate scenario analysis is being integrated into our overall ERM system by identifying physical risks, evaluating impact, prioritizing urgency, and executing resilience strategies, which is articulated by the figure below.

## Overall Enterprise Risk Management



## Climate Risk Assessment and Climate Scenario Analysis (CSA)

Risk Management Framework Stages	Integration with Climate-Risk Assessment
Risk Identification	<ul style="list-style-type: none"> <li>Incorporation of climate hazards (tropical cyclone, flooding, increased temperature, sea-level rise) into risk factor analysis</li> </ul>
Risk Assessment	<ul style="list-style-type: none"> <li>Mapping of the company's assets and facilities exposed to each climate hazard</li> <li>Selection of the critical assets for in-depth analysis based on potential impact, strategic importance, and resource availability.</li> <li>Conducting detailed climate scenario analysis using different climate scenarios (RCP 4.5, RCP 8.5) for selected assets.</li> <li>Utilizing tools like structural wind vulnerability assessments, flood modeling, and temperature/energy usage modeling to quantify potential impacts.</li> </ul>
Risk Prioritization	<ul style="list-style-type: none"> <li>Consider both the likelihood and potential impact of climate-related risks alongside other organizational risks to assess priority.</li> <li>Prioritize climate risks based on urgency of response and potential disruption to critical operations.</li> </ul>
Risk Response, Monitoring and Evaluation	<ul style="list-style-type: none"> <li>Development of climate-specific mitigation and adaptation strategies based on the identified risks and impacts.</li> <li>Regularly monitor climate data and update risk assessments as needed</li> <li>Evaluate the effectiveness of implemented mitigation and adaptation strategies and make adjustments as necessary.</li> </ul>

### *b. Risk Identification, Assessment, and Prioritization*

Climate hazards are factored into the risk identification analysis where our risk champions and risk owners utilize various tools to highlight elements that could hinder their business unit's objectives. In line with our overall ERM framework, this process includes Risk Factor Analysis, Megatrend Analysis, and Systems Dynamics Analysis for systemic ESG-related risks.

We adopt the same risk assessment scale categorizing impacts as insignificant to extreme and likelihoods from rare to almost certain, based on their inherent nature. Similar prioritization criteria based on our organization's risk profile, vulnerability, and their urgency are applied. Thus, the company's most critical assets are prioritized by pinpointing their exposure to climate hazards. Using detailed climate models and scenarios (RCP 4.5 and 8.5), it then quantifies the potential impacts on these assets through specialized tools. In short, it identifies weak spots and measures potential damage from climate change.



Climate-related physical and transition risks are categorized as Climate Risk and is ranked number 5 among the Top 10 risks. Climate-related risks pose potential adverse impact to operations, particularly in the face of extreme weather events. Regulatory changes linked climate change, such as carbon pricing, emissions caps, and extended producer responsibility, may impact operations by escalating compliance costs. The insights from the CSA are being incorporated into the group's ERM system, enhancing our management of climate-related risks and opportunities. This integration deepens our understanding of the potential likelihood and severity of climate risks, enabling more informed decision-making in prioritizing and response planning.

#### *c. Risk Response, Monitoring, and Evaluation*

We ensure the implementation of suitable risk responses for each climate-related risk, both at the risk owner level within our operating companies and at the enterprise-wide parent level. Risk owners are responsible for managing climate-related risks and collaborate with risk champions to develop effective management strategies to reduce environmental impact and adapt to climate threats. They follow the same reporting process as our ERM dictates, updating the AURROC at least twice a year. Risk champions also oversee the continuous monitoring of climate data and yearly evaluation of risk response effectiveness.

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

Group-wide action plans for climate-related risks are being developed in collaboration with SBUs and CCUs. Continuous monitoring of legislative proposals and regulatory trends is in place, ensuring timely identification of potential effects on operations. The company is proactively future-proofing its holdings by setting climate-related targets that meet or exceed potential regulatory requirements. We also continuously integrating the identified climate-related risks specifically extreme weather events into our business continuity plans and crisis management plans to ensure group's resiliency.

#### *d. Opportunity Management Process*

We are proactively anticipating future climate conditions, identifying opportunities arising from changing consumer behaviors, new market developments, and innovations aligned with ongoing climate trends. This process includes a thorough evaluation of potential climate-related opportunities, pinpointing those that complement the company's core strengths, contextual relevance, and prevailing market trends.

Each identified opportunity will be assessed for its financial, operational, and reputational implications to gauge its feasibility. We will rank these opportunities according to how well they align with our corporate and sustainability objectives, evaluating their feasibility, potential for expansion, and compatibility with current business initiatives.

To stay ahead, we will regularly revise and updates our approach at least semi-annually in response to changing climate conditions and market shifts. This continuous monitoring and refinement highlight our commitment to actively evolving landscape of climate-related opportunities.

*e. Changes in Risk Identification, Assessment, Prioritization, and Monitoring*

We continuously enhance our risk management system, demonstrating commitment to addressing evolving challenges. Documentation of controls in place against identified risks and ranking of the top risks are priorities. Notably, in this latest reporting period, we have integrated climate scenario analysis into our risk identification and assessment processes. This strategic initiative has empowered us to proactively anticipate and address potential climate-related risks.

V. Metrics, Targets, and Looking Ahead

To provide our shareholders and stakeholders clear insights into our approach to managing climate-related risks and opportunities, we have set specific environmental and climate-related targets and are tracking our progress.

*a. Metrics and Targets for Physical Risks*

To demonstrate our approach in managing the physical climate-related risks, we reflected metrics for exposure assessment coverage and vulnerability assessment coverage associated with flooding, tropical cyclones, extreme temperature and heat stress, and sea level rise.

Metrics	Current Performance	Ambition
<b>Exposure Assessment Coverage</b>	292 of the mapped-out facilities of the SBUs: URC, RLC, CEB, RRHI, and JGSOC.	Integrate climate hazard exposure assessment for new facilities/greenfield investments and newly acquired assets /brownfield investments

Metrics	Current Performance	Ambition
<b>Vulnerability Assessment Coverage</b>	One (1) representative asset, facility, or operation per SBU: URC's SURE SONEDCO, JGSOC's Petrochemical Plant, RLC's Giga Tower, RRHI's Sucat Distribution Center, and Cebu Pacific's Operations at NAIA Complex.	SBUs to replicate vulnerability assessment in their identified critical sites, as well as new sites

*b. GHG Emissions Metrics and Targets*

Disclosure	Unit	2023 Quantity	Boundaries
Total GHG emissions	tCO2e	2,585,360	URC, CEB, RLC, JGSOC, RBank, CCU
Gross direct (Scope 1) GHG emissions	tCO2e	2,171,880	
Gross Energy Indirect (Scope 2) GHG emissions	tCO2e	302,488	
Gross Other Indirect (Scope 3) GHG emissions	tCO2e	110,991	RLC
GHG emissions intensity	tCO2e/MPhP	7.20	URC, CEB, RLC, JGSOC, RBank, CCU

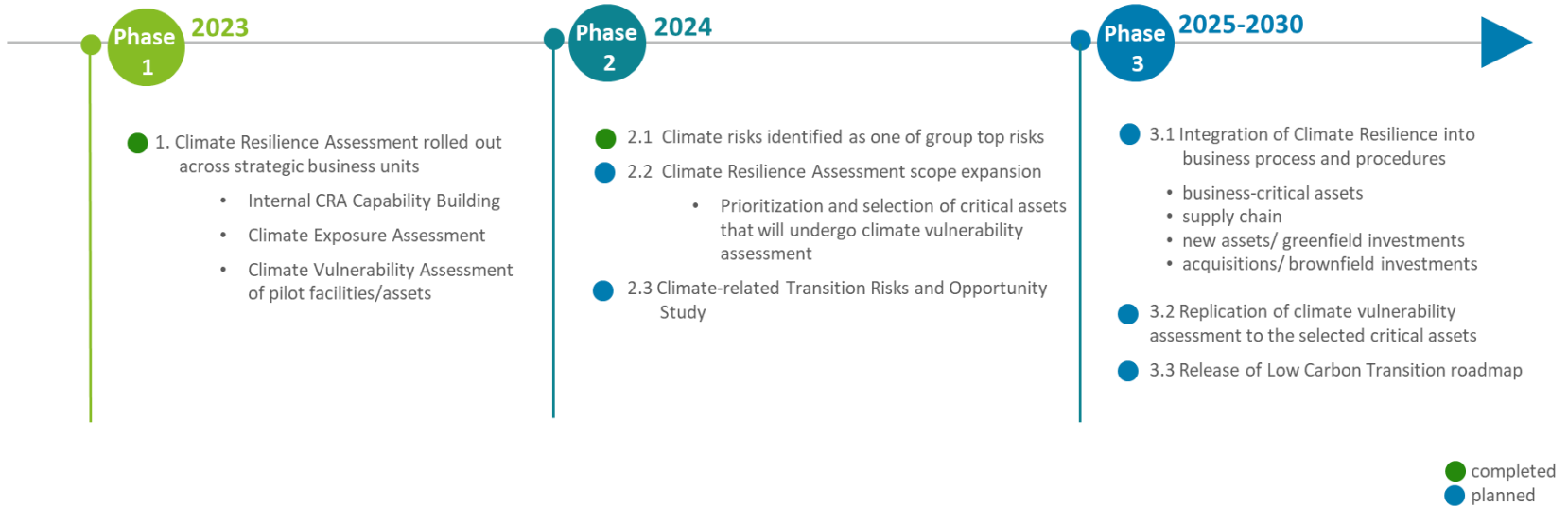
We calculated our total greenhouse gas emissions using the equity approach, as recommended by the GHG Protocol Corporate Accounting and Reporting Standard. This includes measurement and reporting of our scope 1, 2, and some scope 3 carbon emissions.

For scope 2 emissions, we utilize a location-based approach. Scope 3 emissions are disclosed for electricity usage by RLC tenants only, with plans to expand this to include other business activities. Furthermore, we are considering internal carbon pricing to anticipate the potential financial impacts of future regulations, taxes, or carbon pricing mechanisms that may be introduced by governments or influenced by market forces and utilizing carbon credits.

To ensure our businesses transition to low-carbon practices, we are developing our Low Carbon Transition Roadmap, which will be released by 2025. Additionally, this roadmap will be aligned to our aspiration to attain Net Zero target by 2050.

c. A Phased Approach to Climate Resilience: Our Strategic Roadmap

**Timeline II. Approach to accelerate our climate action and resilience journey**



We are actively building resilience against the impacts of climate change. Our three-phased approach, outlined in the timeline, focuses on assessing climate risks, integrating climate resilience into business practices, and developing a low-carbon transition roadmap.

Year 2023 is about building a strong foundation. We laid the groundwork for climate resilience by building internal capability to enhance knowledge on climate-related risk and resilience, assessing our exposure to physical climate hazards, and conducting vulnerability assessments of selected pilot facilities to develop tailored adaptation strategies.

In 2024, we have recognized climate risk one of the group top risks reflecting how we prioritizes it relative to other types of risk. We will plan to expand the climate resilience assessment scope to cover more facilities that will undergo in-depth vulnerability assessment. We also plan to further understand and evaluate the impacts of the low-carbon transition by conducting a group-wide climate-related transition risks and opportunities assessment study.

From 2025 onward, our focus shifts to integrating resilience and embedding climate considerations into operational decision-making and replicating vulnerability assessments for wider coverage and releasing our comprehensive low-carbon transition roadmap outlining our path to Net Zero.

This proactive, phased plan demonstrates our dedication to building a climate-resilient business, safeguarding our operations, and ensuring long-term sustainability.

# Our Sustainability Performance

Promoting environmental, social, and economic well-being through actions and outcomes

## Climate Action

In 2023, our consolidated energy consumption increased by 24%, primarily attributed to jet fuel consumption stemming from the expanded operations of CEB. However, amidst this surge, our strategic business units remained unwavering in their commitment to energy reduction and efficiency initiatives, exemplified by many projects featured below.

Our renewable energy consumption witnessed a 25% upsurge in 2023. Spearheading JGSHI's transition towards sustainable energy sources, URC forged agreements with several retail electricity suppliers, ensuring over 20 local facilities are powered by geothermal, solar, and hydro sources through 2025. Additionally, URC continues the usage of biomass and biogas as alternative fuels for boilers, thus generating steam and electricity used in its operations. Meanwhile, JGSOC's collaboration with Merbau Corporation in sourcing solar energy contributed to this increase in renewable energy consumption.

Notably, JGSHI's business units themselves generated a substantial portion of renewable energy, predominantly from solar and biomass, accounting for 51% of our total renewable energy consumption—an increase from the 49% recorded in 2022.

Furthermore, our concerted efforts in reducing carbon emissions bore fruit, culminating in a 1% decrease in total emissions. This reduction can be attributed to a combination of various emission reduction initiatives and the escalated adoption of renewable energy sources across our operations.

<b>36,907,400</b> GJ <b>Total Energy Consumption</b>	<b>2,086,356</b> GJ <b>Total Renewable Energy Consumption</b>	<b>51.04</b> % <b>Share of Own Generated Renewables to Total RE Consumption</b>	<b>2,585,360</b> tCO2e <b>GHG Emission</b>
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SBU	Program	Activities	Result and Impact	Outcome	SDG (7, 9, 12, 13)
CEB	<b>Fleet modernization through next-gen Airbus NEOs</b>	<ul style="list-style-type: none"> <li>Deliveries of NEO aircrafts added to fleet</li> </ul>	<ul style="list-style-type: none"> <li>15 NEO aircrafts added to fleet</li> </ul>	<ul style="list-style-type: none"> <li>Estimated GHG emission reduction of 161,655 tCO<sub>2</sub>e in 2023</li> </ul>	SDG 9
	<b>Integration of sustainable aviation fuel (SAF) in operations</b>	<ul style="list-style-type: none"> <li>Incrementally testing and incorporating SAF in operations <ul style="list-style-type: none"> <li>1st delivery with SAF blend from Airbus' Tianjin, China assembly plant</li> </ul> </li> <li>Assessing market acceptance and buy in of SAF <ul style="list-style-type: none"> <li>1st NRT-MNL commercial flight powered by SAF</li> </ul> </li> <li>Establishing strategic partnerships: <ul style="list-style-type: none"> <li>MOU signing with Neste Corp. to develop supply</li> <li>Collaboration with government bodies i.e. CAAP/EASA for SAF studies</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>34,541 liters of SAF used in operations</li> </ul>	<ul style="list-style-type: none"> <li>Estimated GHG emission reduction of 70 tCO<sub>2</sub>e in 2023</li> </ul>	SDG 7, 12
	<b>Electric Vehicle and Electric Ground Support Equipment (GSE) Transition Program</b>	<ul style="list-style-type: none"> <li>Implementation of electric employee shuttles (Juander Shuttle)</li> <li>Trial run for electric baggage tractor and fast charging station in partnership with TLD Asia Limited</li> <li>Pilot-implementation of electric passenger shuttle busses at NAIA</li> </ul>	<ul style="list-style-type: none"> <li>Three (3) electric shuttles, one (1) electric baggage tractor and two (2) passenger shuttles providing zero-emission transportation to employees</li> </ul>	<ul style="list-style-type: none"> <li>Estimated annual contribution to GHG emission avoidance: 80 tCO<sub>2</sub>-e</li> </ul>	SDG 7, 13
	<b>Investing in nature-based solutions to</b>	<ul style="list-style-type: none"> <li>Partnership with the Ramon Aboitiz Foundation Inc. One to Tree program (RAFI OTT) to</li> </ul>	<ul style="list-style-type: none"> <li>10,000 mangrove seedlings over an estimated 5-hectare area</li> </ul>	<ul style="list-style-type: none"> <li>Supporting livelihoods and increasing climate</li> </ul>	SDG 13

SBU	Program	Activities	Result and Impact	Outcome	SDG (7, 9, 12, 13)
	<b>mitigate environmental impact</b>	support the conservation and restoration of mangroves in Cebu	in Barangay Tapon, Dumanjug, Cebu	resilience of local communities <ul style="list-style-type: none"> <li>Increased absorption of CO2, aiding climate change mitigation</li> <li>Enhanced collaboration with stakeholders</li> </ul>	
	<b>Fuel-efficient practices in operations and engineering</b>	<ul style="list-style-type: none"> <li>Fuel efficiency practices</li> <li>Directing routing on Domestic Routes (Green Routes)</li> <li>Flight plan optimization</li> <li>Reduce Flaps at Landing (RFLA)</li> </ul>	<ul style="list-style-type: none"> <li>Total estimated jet fuel saving of 16.1 million kg</li> </ul>	<ul style="list-style-type: none"> <li>Estimated GHG emission reduction of 51,000 tCO<sub>2</sub>e in 2023</li> </ul>	SDG 7, 13
<b>URC</b>	<b>Installation of Solar Rooftops in URC sites</b>	<ul style="list-style-type: none"> <li>Installation of Solar Rooftop across URC sites with a total of USD 8 Million in capital investments since 2019</li> </ul>	<ul style="list-style-type: none"> <li>Total of 15,000 kWp of solar rooftop installations since 2019</li> <li>82,353 GJ of energy used in the operations comes from solar energy in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Estimated annual avoidance of more than 13,600 tonnes of CO2 emissions</li> </ul>	SDG 13
	<b>Utilization of Biomass &amp; Biogas</b>	<ul style="list-style-type: none"> <li>Use of biomass and biogas as fuel to boilers used in operations</li> </ul>	<ul style="list-style-type: none"> <li>Biomass and biogas initiatives contribute 837,611.54 GJ energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>23% inc. in utilization vs last year</li> </ul>	SDG 9
	<b>Purchased Electricity from Renewable Sources</b>	<ul style="list-style-type: none"> <li>Agreements with various retail electricity suppliers to supply more than 20 of the local facilities with geothermal, solar, and hydro power sources until 2025.</li> </ul>	<ul style="list-style-type: none"> <li>850,054 GJ electricity consumed in 2023 comes from Renewable Sources which constitutes 51% of total purchased electricity</li> </ul>	<ul style="list-style-type: none"> <li>25% increase vs last year</li> </ul>	SDG 13
	<b>Energy &amp; Its Alternatives (EIA) Squad:</b>	For comprehensive and focused efforts towards energy efficiency and transition to low carbon	<ul style="list-style-type: none"> <li>Achieved 1.21% reduction in energy consumption in BCF-PH through efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Generated Php 23.74 million savings for solar &amp; sub heater projects</li> </ul>	SDG 9, 13



SBU	Program	Activities	Result and Impact	Outcome	SDG (7, 9, 12, 13)
		<p>operations, an agile squad was established to:</p> <ul style="list-style-type: none"> <li>• Reduce energy usage for BCF-PH.</li> <li>• Identify cost-efficient and sustainable energy technology suppliers of alternative fuels.</li> </ul>	<p>initiatives and conservation practices</p> <ul style="list-style-type: none"> <li>• Maintained a clean environmental record, with zero Notice of Violation on Boiler emissions</li> </ul>		
	<p><b>Environment Recognition Programs – Sustainability Awards</b></p>	<ul style="list-style-type: none"> <li>• The Sustainability Awards honor individuals, facilities, and plants for their excellence in sustainability, particularly in Quality, Efficient Resource Management, and Safety, Health, and Well-being.</li> <li>• The GREEN Excellence in Environment category recognizes facilities and plants demonstrating high optimization and responsible resource management in energy and water consumption, waste management, and environmental compliance.</li> </ul> <p>Awards are given for Government and Legal Compliance, Resources Optimization (Waste Minimization), Efficient Water</p>	<p><b>2023 Winners:</b> GREEN Excellence in Environment Award La Carlota Sugar Mill</p> <p><b>Category Awards</b></p> <ul style="list-style-type: none"> <li>• Best in Waste Management: La Carlota Sugar Mill</li> <li>• Best in Water Management: Cavite Plant</li> <li>• Best in Energy Efficiency Management: La Carlota Sugar Mill</li> <li>• Best in Nature Protection: La Carlota Sugar Mill</li> </ul>	<ul style="list-style-type: none"> <li>• Increased engagement across URC facilities and plants</li> </ul>	<p>SDG 13</p>

SBU	Program	Activities	Result and Impact	Outcome	SDG (7, 9, 12, 13)
		Use, Energy Efficiency, and Nature Protection.			
JGSOC	<b>GHG Reduction through the use of solar energy</b>	<ul style="list-style-type: none"> <li>266,833,224.00 Php investment in onsite RE installation in 2023 (under Merbau Corp.)</li> </ul>	<ul style="list-style-type: none"> <li>Total of 9,109.80 tons of CO2e avoided</li> <li>Phase 2 (Total area coverage of 110,601 m<sup>2</sup>) with a power generated of 12,791,045.2 kWh of solar rooftop system installed in 2023.</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of power consumption and GHG emissions</li> <li>Offset power source from the national grid and from in-house diesel generators</li> </ul>	SDG 9, 13
RLC	<b>Rooftop Farms</b>	<ul style="list-style-type: none"> <li>Partnered with Farm Top to optimizing rooftop space of Robinsons Cyberscape Alpha for hydroponics method of planting</li> </ul>	<ul style="list-style-type: none"> <li>Reduced the heat caused by clusters of buildings and pavements, effectively mitigating the heat-island effect.</li> <li>Contributes to minimizing the carbon footprint since the travel of greens from farm to consumer is shorter.</li> </ul>	<ul style="list-style-type: none"> <li>Contribute to a more sustainable and efficient food distribution system</li> <li>Enhances food security by bringing agriculture closer to the city</li> </ul>	SDG 12, 13
	<b>Solar Panel Installation Initiative</b>	<ul style="list-style-type: none"> <li>Solar panel installations in Robinsons Malls</li> <li>Php 1.7B investment since 2015</li> </ul>	<ul style="list-style-type: none"> <li>Solar panel installations in 24 malls since 2015</li> <li>101,234 solar panels installed</li> <li>27,844.72 MWH total energy saved amounting to Php 1.4 billion total electricity cost savings</li> <li>118,388 tonnes of CO2e avoided equivalent to 1.96 million trees planted</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of carbon emissions and electricity savings</li> </ul>	SDG 7, 9, 13

## Caring for Juan Planet: Cebu Pacific Decarbonization Program for Reducing Emissions

Cebu Pacific (CEB) remains steadfast in its pursuit of sustainable aviation, driven by its commitment to mitigate environmental impact, enhance operational efficiency, and contribute to sustainable development. Anchoring CEB's decarbonization strategy is the airline's support for the aviation industry's goal of achieving net-zero emissions by 2050.

In 2023, CEB marked several milestones in its decarbonization journey. The airline completed 18 aircraft deliveries, including 15 New Engine Option (NEO), which is a significant step towards its fleet modernization program. CEB's target is to transition to an all-NEO fleet by 2028. Moreover, CEB has implemented other flight-related decarbonization initiatives, including the adoption of fuel efficiency best practices and flight plan optimization, resulting in total fuel savings of 16.1 million kg in 2023 and carbon emission reduction of 51,000 tCO<sub>2</sub>e.

Recognizing the critical importance of sustainable operations, CEB has further broadened its decarbonization efforts beyond fleet modernization and improving fuel efficiency. With a dual focus on reducing its carbon footprint and enhancing passenger experiences, CEB has implemented initiatives in the electrification of its vehicles and ground support equipment (GSE). It has already introduced electric shuttles for its employees traveling to and from CEB's head office, servicing routes such as Cavite, Paranaque, and Cubao. CEB has also commenced a pilot program featuring electric baggage tractors and two electric passenger bus shuttles at the Ninoy Aquino International Airport (NAIA). These 100% electric vehicles and electric GSE operate emissions-free.

Another important pillar of CEB's decarbonization strategy is the use of sustainable aviation fuel (SAF). Progress has also been made in advancing the adoption of SAF, further integrating it in delivery and commercial flights. Notably, a 41 % SAF was used for the first delivery of an A320neo from the Airbus Tianjin facility to Manila. Mirroring the successful inaugural Singapore-Manila commercial flight in 2022, the first Narita-Manila commercial flight powered by 40% SAF was launched in 2023. Lastly, CEB signed a partnership with Neste Corp., a global leader in SAF production, to explore supply and purchase of SAF to support future CEB operations.

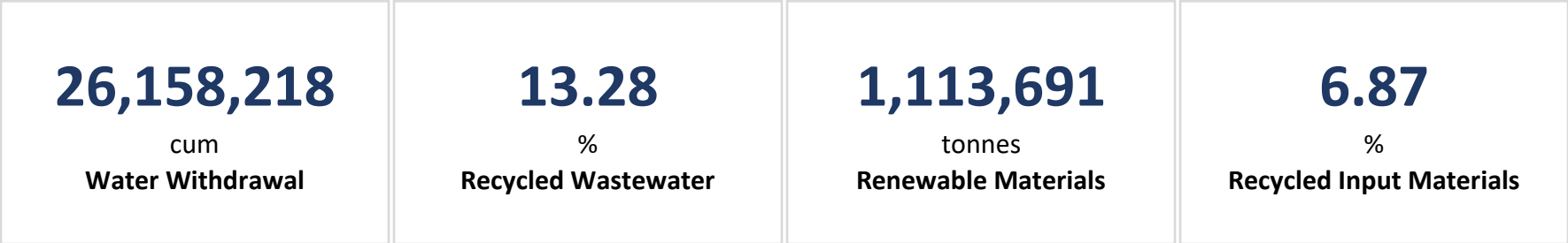
CEB'S efforts to lower its emissions were recognized with a gold rating in the 2023 Centre for Asia Pacific Aviation (CAPA)-Envest Global Airline Sustainability Benchmarking Report. CEB earned a place among the top 19 carriers awarded the gold rating for its outstanding performance in reducing carbon emissions, integrating sustainable aviation fuel, and transparently disclosing sustainability metrics. This accolade positions CEB as the highest-rated airline for sustainability in the Philippines and one of only two low-cost carriers (LCCs) in Southeast Asia to achieve such recognition. CEB was also hailed as the Most Sustainable Low-Cost Airline in the Philippines for 2023 by World Economic Magazine.

Resource Efficiency and Circularity

Water, materials, and waste persist as essential resources to our operations, underscoring the imperative of resource efficiency. Recognizing their significance, we stay committed to maximizing their utilization while minimizing waste and environmental impact.

For 2023, we reflect 319K decrease in water withdrawal. Simultaneously, in our pursuit of resource efficiency, each subsidiary undertakes targeted initiatives tailored to their specific operational needs. For instance, URC has prioritized water efficiency focusing on reduction, reuse, and recycling strategies. Notably, the implementation of harvesting units enables URC to harness 139,125 cubic meters of rainwater for essential utility cleaning activities, thereby conserving precious freshwater resources and reducing our environmental footprint.

Furthermore, addressing the pressing issue of plastic waste remains a top priority for our organization. Through collaborative endeavors such as the Juan Goal for Plastic initiative, we are actively engaged in collecting and diverting plastic waste from landfills, contributing to the ongoing efforts to combat plastic pollution in our communities and beyond.



SBU	Program	Activities	Result and Impact	Outcome	SDG (6,12)
CEB	<b>Biodegradable utensils and cups</b>	<ul style="list-style-type: none"> <li>Shift of inflight utensils and cups to biodegradable materials</li> </ul>	<ul style="list-style-type: none"> <li>Implemented biodegradable materials, resulted in a reduction of single-use plastic usage by 25,511 kg in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Reducing plastic waste globally</li> </ul>	SDG 12

SBU	Program	Activities	Result and Impact	Outcome	SDG (6,12)
	<b>Plastic bottle waste segregation</b>	<ul style="list-style-type: none"> <li>Implementation of the "On-board plastic bottle segregation" Campaign videos to raise awareness in plastic recycling</li> </ul>	<ul style="list-style-type: none"> <li>28,000 kg of PET bottles have been segregated and collected since the implementation of the On-board PET bottle segregation</li> </ul>	<ul style="list-style-type: none"> <li>Increase awareness in recycling amongst passengers</li> <li>Improved waste management within CEB operations</li> </ul>	SDG 12
URC	<b>Juan Goal for Plastic Program</b>	<ul style="list-style-type: none"> <li>Plastic Waste Collection Program in partnership with employees, communities and local government units (LGU)</li> </ul>	<ul style="list-style-type: none"> <li>54.13 metric tons of plastic waste was collected</li> <li>Over 49 collection hubs added in 2023; total collection hubs since 2022 is 159</li> <li>Participated by more than 900 employees and in over 60 communities.</li> </ul>	<ul style="list-style-type: none"> <li>Increasing awareness about plastic waste recycling in communities and providing long-term solutions to address the issue</li> <li>Engaging communities and fostering partnerships with Local Government Units and Environment and Natural Resources Office partners.</li> </ul>	SDG 12
	<b>Waste Management Partnership with Holcim</b>	<ul style="list-style-type: none"> <li>Partnership with Holcim to support LGUs in co-processing of laminates</li> </ul>	<ul style="list-style-type: none"> <li>Agreement with Holcim to co-process laminates</li> </ul>	<ul style="list-style-type: none"> <li>Supporting LGUs Management of Plastic Wastes</li> </ul>	SDG 12
	<b>Water Use Efficiency</b>	<p><b>Reduction Initiatives:</b></p> <ul style="list-style-type: none"> <li>Installed harvesting units continued to be utilized to act as alternative sources of water for basic utility cleaning activities in various sites across URC.</li> <li>Continued use of level controllers and automatic shut-off valves for feed water tanks in</li> </ul>	<ul style="list-style-type: none"> <li>139,125 cubic meters of rainwater was harvested.</li> <li>13% of wastewater was recycled and reused</li> </ul>	<ul style="list-style-type: none"> <li>Increased its water efficiency</li> <li>Reduction on water withdrawal from other sources</li> </ul>	SDG 6

SBU	Program	Activities	Result and Impact	Outcome	SDG (6,12)
		<p>several Agro-Industrial Commodities (AIC) group sites.</p> <ul style="list-style-type: none"> <li>• Leak detection and correction were also carried out in various sites across all business units.</li> </ul> <p><b>Reusing initiatives:</b></p> <ul style="list-style-type: none"> <li>• Steam recovery systems such as the construction of condensate lagoon and lines to recovery projects &amp; make-up water have been put in place in select sites. This process returns condensate to be used as boiler feed water pre-heating.</li> <li>• Cleaning in Place (CIP) Rinse Water Reuse and Reverse Osmosis (RO) water reject recovery were also established. URC reuses its water in daily activities such as cleaning pallets, watering the greenery and for toilet- flushing.</li> </ul> <p><b>Recycling Initiatives:</b></p> <ul style="list-style-type: none"> <li>• Implemented the use of treated wastewater in spray ponds and wet scrubbers to reduce water wastage.</li> <li>• Recycles water by incorporating non-virgin water in the initial washing process of critical raw materials, such as unpeeled potatoes, known for their high-water consumption.</li> </ul>			

SBU	Program	Activities	Result and Impact	Outcome	SDG (6,12)
		<ul style="list-style-type: none"> <li>Utilized treated wastewater in spray ponds and wet scrubbers as a way to minimize water wastage. The company recycles its water by using non-virgin water in initial washing of some of our critical raw materials in snacks, such as unpeeled potato, which is considered one of the most water intensive activities in our value chain and by utilizing of waste water effluent for top up water for cooling towers.</li> </ul>			
JGSOC	<b>Efficient recovery and treatment of waste</b>	<ul style="list-style-type: none"> <li>Oily water treatment system ensuring efficient recovery of oil</li> <li>Recovered oil hauled by / sold to accredited haulers/buyers</li> </ul>	<ul style="list-style-type: none"> <li>1,400,000.00 Php cost savings in handling, treatment, and disposal of hazardous wastes</li> <li>140,000 liters of oil recovered and sold to the company's accredited buyer</li> </ul>	<ul style="list-style-type: none"> <li>Reduced hauling cost</li> <li>Improved hazardous waste management in JGSOC petrochemical complex</li> </ul>	SDG 12

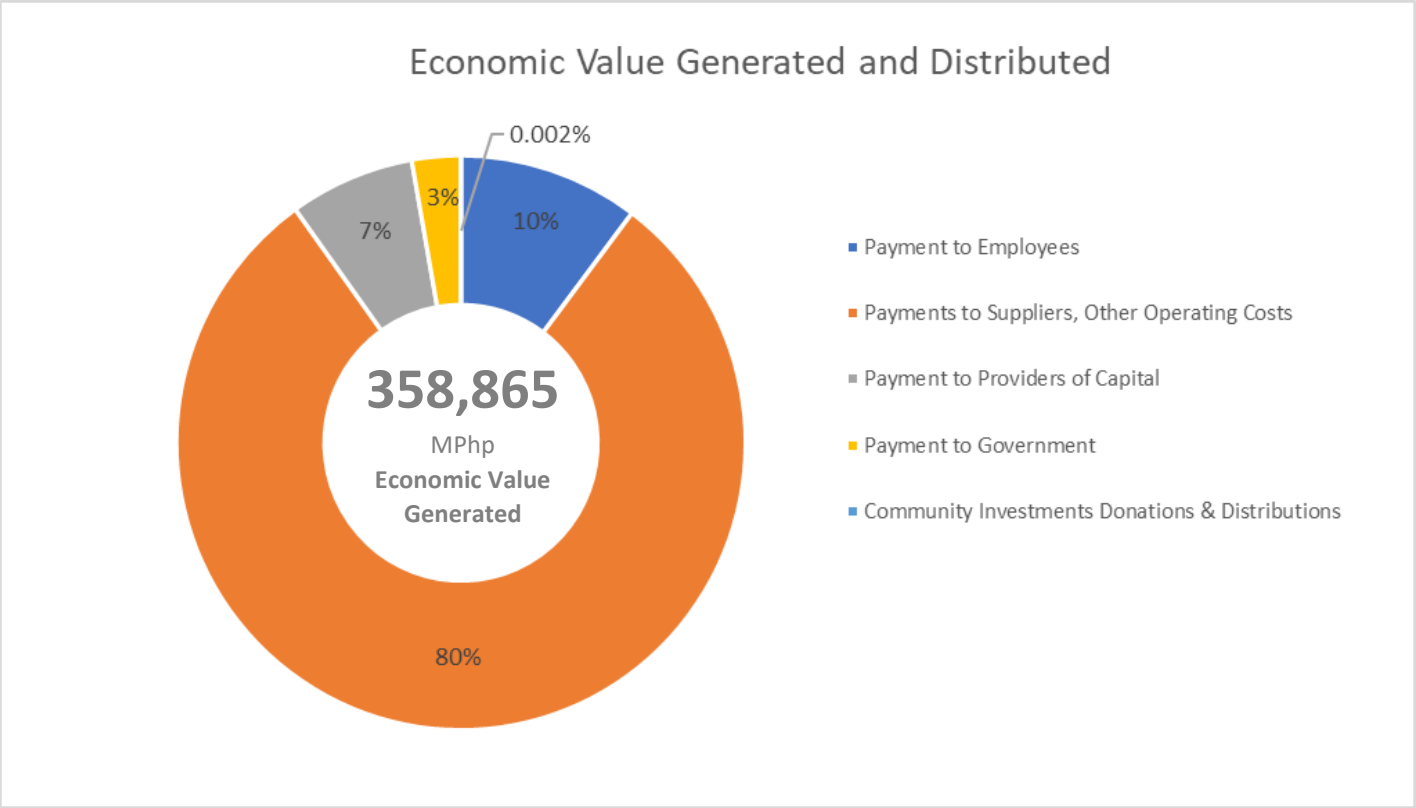
## Shared Success

For JGSHI, Shared Success signifies a collective effort among various stakeholders, resulting in mutually advantageous outcomes that foster growth and prosperity. Shared success embodies the notion that positive and impactful results are not achieved in isolation but rather through cooperation and partnerships with our key stakeholders: our employees, suppliers and community partners.

In 2023, our commitment to Shared Success was exemplified through CEB's continued partnership with UNICEF in the Change for Good Program. This initiative aimed to collect spare change from passengers, resulting in the donation of over PHP10 million. These funds were earmarked for programs dedicated to enhancing access to education, healthcare, and humanitarian aid for underserved communities.

Moreover, in its 8th year, JGSOC remained steadfast in its commitment to environmental stewardship through the 1 Million Trees project. Nearly 600,000 indigenous and fruit-bearing tree seedlings were planted in Batangas province, where our petrochemical business is based, as well as in other areas requiring reforestation and forest rehabilitation efforts.

Additionally, through the collective efforts of employee volunteers and with the generous support of the Gokongwei Brothers Foundation, we extended our impact to 50 schools nationwide through the Brigada Eskwela Program. By providing essential resources and assistance, we ensured these schools were adequately prepared for the upcoming academic year, thereby empowering students and educators alike.





SBU	Program	Activities	Results and Impact	Outcome	SDG (3,8,9,11)
CEB	<b>Social and environment commitment for the welfare of communities</b>	<ul style="list-style-type: none"> <li>Renewal of partnership with UNICEF through “Change for Good” program</li> <li>Signing of MOU with United Filipino Global (“UFG”)</li> <li>Hosting of Fun for Little Juans at Manila Ocean Park</li> <li>Developing an immersive airport experience tailored for children with autism from the Autism Society Philippines (ASP)</li> </ul>	<ul style="list-style-type: none"> <li>Raised over Php 10.9 million in 2023 and over Php 91 million in donations since its launch in 2016</li> <li>Long term partnership with UFG, Engagement with OFWs and information dissemination on air travel</li> <li>Fun for Little Juans: Attended by 181 children and 139 guardians from Better World Tondo</li> <li>Inclusive travel experience for ASP participants, coupled with education and awareness initiatives focused on air travel</li> </ul>	<ul style="list-style-type: none"> <li>Improving access to education, healthcare, and humanitarian aid for communities</li> <li>Essential support to OFW and their families, which i.e. travel assistance, education and humanitarian aid</li> <li>Supporting the education of students through tangible support and experimental learning students</li> <li>Fosters inclusivity while also promoting education and awareness about air travel for individuals with autism</li> </ul>	SDG 8, 11
	<b>Commitment in supporting humanitarian aid efforts</b>	<ul style="list-style-type: none"> <li>Participation in logistic preparedness workshop by Airlink</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced logistical preparedness and technical capacity</li> <li>Strengthened relationship with airlines, non-government organizations NGO and logistic partners</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced disaster resilience and response capabilities for humanitarian aid efforts</li> </ul>	SDG 11
JGSOC	<b>One Million Trees Project</b>	<ul style="list-style-type: none"> <li>Distributed seedlings of indigenous and fruit-bearing trees to LGU and NGO</li> </ul>	<ul style="list-style-type: none"> <li>596,901 tree seedlings donated/ distributed from February 2016 to December 2023</li> </ul>	<ul style="list-style-type: none"> <li>Reforestation efforts, through the help of various external stakeholders (i.e., LGU,</li> </ul>	SDG 11

SBU	Program	Activities	Results and Impact	Outcome	SDG (3,8,9,11)
				host barangay, universities, NGOs, etc.)	
<b>RLC</b>	<b>Lingkod Pinoy</b>	<ul style="list-style-type: none"> <li>• Provides tenant spaces free-of-charge to government agencies in order for them to bring their services closer to Filipinos.</li> <li>• A one stop center where Filipinos may access a variety of govt services</li> </ul>	<ul style="list-style-type: none"> <li>• Average daily transaction in 2023 is 31,169 with 84 stand-alone offices and 152 centers nationwide.</li> <li>• Partner Agencies: <ul style="list-style-type: none"> <li>○ Social Security System (SSS)</li> <li>○ Home Development Mutual Fund (Pag-ibig)</li> <li>○ Professional Regulatory Commission (PRC)</li> <li>○ Philippine Health Insurance Corporation (PhilHealth)</li> <li>○ Bureau of Immigration (BI) District Offices</li> <li>○ Department of Foreign Affairs (DFA)</li> <li>○ Overseas Workers Welfare Administration (OWWA)</li> <li>○ Local Government Unit of Quezon City</li> <li>○ Philippine Postal Corporation (PHILPOST)</li> <li>○ National Bureau of Investigation (NBI)</li> <li>○ Tourism Infrastructure and Enterprise Zone Authority (TIEZA)</li> <li>○ Land Transportation Office (LTO)</li> <li>○ Philippine Overseas</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Support the government in bringing essential services accessible to more Filipinos.</li> </ul>	SDG 11

SBU	Program	Activities	Results and Impact	Outcome	SDG (3,8,9,11)
			<p>Employment Administration (POEA)</p> <ul style="list-style-type: none"> <li>○ Land Registration Authority (LRA) Office</li> <li>○ Securities and Exchange Commission (SEC)</li> <li>○ Department of Trade &amp; Industry (DTI)</li> <li>○ Bureau of Quarantine (BOQ)</li> <li>○ Technical Education and Skills Development Authority (TESDA)</li> </ul> <ul style="list-style-type: none"> <li>● National ID processing – 2,242,581 transactions</li> <li>● Saliva RT-PCR Test COVID 19 – 125,324 individuals served</li> <li>● Passport Renewal – 839,257 transactions</li> <li>● Bureau of Quarantine Yellow Card Distribution – 297,344 individuals served</li> <li>● COMELEC Brgy. Election Registration – 96,940</li> <li>● COMELEC Voters’ Registration – 51,114</li> </ul>		
RLC	<b>R Gift of Health</b> <i>– RLC’s Medical Mission Program</i>	<ul style="list-style-type: none"> <li>● Administered medical screenings and medical consultations to select community</li> </ul>	<ul style="list-style-type: none"> <li>● 5,458 medical screenings administered</li> <li>● 3,885 individuals served</li> <li>● 17 communities served</li> </ul>	<ul style="list-style-type: none"> <li>● Impart good health which is very vital in order to have a good quality of life.</li> </ul>	SDG 3

SBU	Program	Activities	Results and Impact	Outcome	SDG (3,8,9,11)
		<ul style="list-style-type: none"> <li>• Provided free medicines prescribed by the medical mission doctors</li> </ul>			
	<b>Entrep Corner</b> <i>– RLC’s Entrepreneurship Program for Schools</i>	<ul style="list-style-type: none"> <li>• The Entrep Corner Program provides 3 activities:  <b>Seminar</b> – resource speakers from Robinsons Land and other SBUs share their expertise on the subjects: sales, merchandising, financial literacy, digital PR and business planning through a half-day seminar prepared for the students.   <b>Product Evaluation</b> - Students presents their business &amp; their products to a select panel of evaluators composed of industry experts from RLC and other SBUs.   <b>Product Exhibit</b> – Students are given tenant spaces at Robinsons Malls allowing them to sell their products and operate their businesses in a real business environment.</li> </ul>	<ul style="list-style-type: none"> <li>• 474 Student Exhibitors given the chance to sell at Robinsons Malls</li> <li>• 94 Businesses supported</li> </ul>	<ul style="list-style-type: none"> <li>• Produce future entrepreneurs who will contribute to the growth of the economy.</li> </ul>	SDG 3,8
	<b>R Sikap</b> <i>– RLC’s Livelihood Assistance Program</i>	<ul style="list-style-type: none"> <li>• Provided Livelihood Trainings by funding partners to administer 1-year long livelihood trainings to select groups that provide mentorship and seed capital for them to start a new business with</li> </ul>	<ul style="list-style-type: none"> <li>• 20 RLove Livelihood Carts Imparted</li> <li>• 200 Individuals Trained</li> <li>• 293 Individuals helped</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable source of income provided to indigent beneficiaries.</li> </ul>	SDG 3,8

SBU	Program	Activities	Results and Impact	Outcome	SDG (3,8,9,11)
		<p>which they may start with and grow.</p> <ul style="list-style-type: none"> <li>Donated Livelihood Carts to deserving groups who are capable of running a food cart business and who are deserving of the donation.</li> </ul>			
	<b>R Tulong</b> – RLC’s Emergency Assistance Program	<ul style="list-style-type: none"> <li>Provided relief packs containing food, water and personal care items for the affected families affected by calamities</li> </ul>	<ul style="list-style-type: none"> <li>1,213 Relief Packs Distributed</li> <li>3,639 Beneficiaries Helped</li> <li>9 areas reached</li> </ul>	<ul style="list-style-type: none"> <li>Fulfill the immediate needs of calamity-stricken victims</li> <li>Help displaced victims survive calamities</li> </ul>	SDG 3
	<b>R Eskwela - RLC’s School Assistance Program</b>	<ul style="list-style-type: none"> <li>Provided needed items e.g. equipment, supplies, tools, classroom furniture and even rehabilitation work to prepare the school for the opening of classes</li> </ul>	<ul style="list-style-type: none"> <li>2,380 RLove Schools Bags w/ School Supplies distributed</li> <li>43 schools &amp; organizations reached</li> <li>15,995 beneficiaries supported</li> <li>33 areas reached</li> </ul>	<ul style="list-style-type: none"> <li>Create more conducive learning situation and environment to students</li> </ul>	SDG 3
<b>URC</b>	<b>Project Salig</b>	<ul style="list-style-type: none"> <li>Initiated a trust-based partnership with sugarcane planters in districts where URC sugar mills operate by addressing key concerns such as sugar recovery, farm yield, truck turnaround times, and customer service provision</li> </ul>	<ul style="list-style-type: none"> <li>456,000 cubic meters of spent wash was effectively delivered, contributing to the fertilization of over 37.1% of the expansive 8,000 hectares of sugarcane farmland</li> </ul>	<ul style="list-style-type: none"> <li>Established a trust-based partnership with sugarcane planters</li> </ul>	SDG 8,9,11
	<b>Sustainable Potato Program</b>	<ul style="list-style-type: none"> <li>Helps the local farmers increase their yield and scale-up productivity by providing high quality chipping potato seeds as farm inputs to selected potato farming communities in Benguet,</li> </ul>	<ul style="list-style-type: none"> <li>Distributed 108 tons of tubers to 268 farmers on the first batch while 27 tons of tubers was distributed to 67 farmers on the second batch. Total of 335 farmers are members of the United</li> </ul>	<ul style="list-style-type: none"> <li>Help potato farmers increase their yields, stabilize prices of highland vegetables, and help the national potato industry</li> </ul>	SDG 8, 11

SBU	Program	Activities	Results and Impact	Outcome	SDG (3,8,9,11)
		Bukidnon, and Davao del Sur through Sustainable Potato Program.	Potato Producers of Benguet and Mountain Province, Inc <ul style="list-style-type: none"> <li>• Distributed 27 metric tons of granola table potatoes to over 200 farmer beneficiaries in Davao Del Sur and Bukidnon</li> </ul>		
	<b>Flourish Pilipinas</b>	<ul style="list-style-type: none"> <li>• Empowered aspiring bakers through Flourish Pilipinas, a learning program that aims to foster a nation of baker-entrepreneurs.</li> <li>• Dubbed Bida Sa Masa, the program focused on equipping community bakers with technical and entrepreneurial skills to turn their passion for baking into a business in its 2023 edition. The competition held legs in Pasig, Davao, and Sariaya, culminating in a championship round</li> </ul>	<ul style="list-style-type: none"> <li>• Phase 1 saw contestants competing in an advanced baking workshop.</li> <li>• Phase 2 had them pitching business plans to a panel of judges.</li> <li>• Phase 3 put them in a baking and business plan competition that identified the regional winners.</li> <li>• Phase 4 brought together Phase 3's champions from the Pasig, Sariaya, and Davao legs. They competed in this final round, which retained the same mechanics as Phase 3.</li> <li>• Prizes at stake were startup capital for a business, baking tools and equipment, ingredients and consumables, plaques, and URC Flour products.</li> </ul>	<ul style="list-style-type: none"> <li>• Beyond imparting technical lessons, Bida Sa Masa also offered the champions an opportunity to change their lives.</li> </ul>	SDG 8,9,11

SBU	Program	Activities	Results and Impact	Outcome	SDG (3,8,9,11)
	<b>AIG Kabalikat Program – Protect Kabalikat</b>	<ul style="list-style-type: none"> <li>• Kabalikat Program - provides farmers, especially hog raisers, knowledge on the latest farming technology and management practices</li> <li>• Offers technical expertise including free consultation services and e-learning series on health, sanitation and overall biosecurity measures.</li> <li>• In areas where ASF is prevalent: rendered assistance such as biosecurity audit, disinfection drive, free vaccination and deworming administration, plus round table seminars to end-users and raisers.</li> </ul>	<ul style="list-style-type: none"> <li>• 362 hog Kfarms, 282 Gamefowl Kfarms, and 252 K-kennels nationwide since 2014</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Improved access to</b> lifelong learning, and livelihood opportunities for communities</li> </ul>	SDG 4, 8, 9,11

### Establishing Long-Term Supplier Relationships Through Timely Payments

Suppliers are the backbone of any business, providing essential products and services. Timely payments demonstrate integrity, foster relationships, and build trust. The Supplier Experience Project, which has been ongoing for five years, highlights the risks of late payments, including strained relationships, financial instability, and reputational damage. It purposely reverses relationship backlash through various initiatives ensuring prompt payment, offer of exclusive benefits to encourage supplier loyalty, improve cash flow management and therefore promote lasting relationship with our suppliers.

Paying our partners on time goes beyond a transactional duty; it reflects a commitment to mutual benefit and ecosystem health. Embracing sustainable practices and timely payments are essential in fulfilling long-term commitments that transcend corporate duties. They embody honesty, responsibility, and reciprocity—values crucial for creating enduring and socially conscious businesses.

## RLC's R Gift of Health Program

RLC's R Gift of Health is a Medical Mission Program that provides essential medical services including screenings, consultations, and free medicines, to indigent individuals in the communities most in need. RLC firmly believes that good health is vital in order to have a good quality of life.

This program started in April 2023 and remains ongoing. Aligned with RLC's focus area on Stakeholder Well-being, we continue to aspire to reach more communities moving forward. We collaborate with various partners, including Southstar Drug, LGUs, NGOs and Robinsons Malls to bring the medical mission closer to select LGUs and NGOs within our communities.

RLC organizes the medical mission by identifying beneficiary groups and collaborating with them to meet necessary requirements, including logistical arrangements, to facilitate the medical mission in their area. RLC covers all costs associated with providing free medicines to the beneficiaries. Additionally, RLC's partner, Southstar Drug, supplies the medical personnel, pharmacy set-up, and provides medical screenings and consultation services.

In 2023, R Gift of Health Medical Missions made a significant impact, conducting 5,458 medical screenings, serving 3,885 individuals, and reaching out to 17 communities. As recognition of our efforts, RLC was honored with a Bronze Award from the DOH's Healthy Pilipinas Awards 2023, which acknowledges Philippine corporations with initiatives dedicated to public health. We are committed to furthering this program in 2024, extending its reach to even more communities and beneficiaries.

## RLC's Entrep Corner Program

Entrep Corner is RLC's CSR program, conducted in collaboration Robinsons Malls, providing actual retail experience to the students pursuing entrepreneurship/business management-related courses and strands. The program aims to refine their entrepreneurial skills within a simulated business environment. Additionally, it offers mentorship and seminars facilitated by resource persons and industry experts from RLC and other JGSHI subsidiaries and RRHI.

Entrepreneurs and play a significant role in driving our country's economic growth. RLove believes that equipping students with resources, exposure and hands-on business experience will inspire and develop them into future entrepreneurs.

Aligned with RLC's focus area on Stakeholder Well-being, this program was initiated in April 2006 and remains ongoing. Over the years, it has produced numerous entrepreneurs.



Through Entrep Corner, senior high school and college students, taking up entrepreneurship or business-related courses gain invaluable retail experience in Robinsons Malls, preparing them for future careers in business. RLC's partners for this program includes various partner schools in Metro Manila and businesses under RLC & JGSHI.

The Entrep Corner Program comprises three key activities:

1. Seminars: Resource speakers from RLC and other JGSHI subsidiaries and RRHI deliver expertise on sales, merchandising, financial literacy, digital marketing, and business planning through a half-day seminar tailored for students.
2. Product Evaluation: Students present their business and products to a select panel of evaluators, consisting of industry experts from RLC and other JGSHI subsidiaries and RRHI.
3. Product Exhibit: Students are provided with tenant spaces at Robinsons Malls, enabling them to sell their products and operate their businesses within a real business environment.

In 2023, Entrep Corner achieved the following milestones:

- 474 Student Exhibitors given the chance to sell at Robinsons Malls
- 94 Supported Businesses

RLC is committed to continuing this program and expanding its reach to more communities and beneficiaries starting in 2024.

### RLC's R Sikap Program

R Sikap is RLC's livelihood assistance program designed to provide sustainable sources of income for those most in need.

RLC recognizes the importance of livelihood in enabling individuals to afford a decent way of living for themselves and for their families, aligning with its Sustainability focus area on Stakeholder Well-being.

For years, RLC has been supporting and funding Livelihood Trainings & Assistance to select communities and groups in need. This initiative is carried out through partnerships with government agencies and trusted implementing NGOs, including:

- International Care Ministries Foundation
- St. Paul University Quezon City
- TESDA
- LGUs

- DSWD / CSWD

The R Sikap Program, launched 2023, consolidates all livelihood initiatives across RLC properties into a unified livelihood assistance program. This demonstrates RLC's commitment to sustaining livelihood initiatives and expanding their reach to serve more groups and beneficiaries. Through this program, unemployed or underpaid individuals are provided with opportunities for a more sustainable source of income.

The R Sikap program provides:

1. Livelihood Trainings: RLC funds implementing partners to administer 1-year long livelihood trainings to select groups. This training includes mentorship and seed capital to help participants start and grow their own businesses. Implementing partners are chosen based on their capacity to sustain the training, physical presence in beneficiaries' area of residence, and track record of success.
2. Livelihood Carts: RLC donates RLove Livelihood/Food Carts to deserving groups who are capable of running a food cart business. Recipients are chosen based on their suitability and deserving need for the donation.

In 2023, RSikap achieved the following milestones:

- Distribution of 20 RLove Livelihood Carts
- Training of 200 Individuals
- Assistance provided to 293 beneficiaries

RLC is committed to continuing this program and expanding its reach to more communities in need of livelihood assistance.

#### RLC's R Tulong Program

R Tulong is RLC's emergency relief program aimed at providing assistance to individuals and communities affected by calamities.

Aligned with RLC's sustainability focus area on Stakeholder Well-being, we recognize that our support is crucial during times of calamities to address the urgent need for essential supplies such as water, food, shelter etc. This program has been consistently conducting relief operations across various regions of the country. Last year, the R Tulong Program was launched to consolidate all disaster relief initiatives of RLC properties into a unified emergency relief program. This initiative underscores RLC's commitment to sustaining its disaster relief response efforts in partnership with LGUs, DSWD-CSWD, and MDRRMO.

Through R Tulong, families and individuals displaced by calamities are given immediate relief in the form of food, water, shelter, and basic care items.

During calamities, RLC collaborates with LGUs to gather data on affected families and provide the required assistance. RLC properties most proximate to the affected areas administer the turnover and distribution of relief packs to the intended beneficiaries.

In 2023, R Tulong distributed 1,213 relief packs, assisted 3,639 beneficiaries, and reached 9 areas in the Philippines. RLC remains committed to continuing this program and extending assistance to more communities and beneficiaries in times of need.

### RLC's R Eskwela Program

R Eskwela is RLC's school assistance program dedicated to supporting select schools and learning institutions through school rehabilitation, construction of facilities, and provision of supplies and learning tools.

Aligned with RLC's sustainability focus area on Stakeholder Well-being, RLC recognizes that education is the key to empowering every child to realize their full potential and become productive members of society.

RLC has a longstanding commitment to educational assistance initiatives for schools, organizations, learning institutions, and NGOs in need.

The R Eskwela Program was launched last year to consolidate all education initiatives of RLC properties into a unified school assistance program. This also communicates RLC's intention to sustain its initiatives on education and to serve more beneficiaries including students in collaboration with schools, LGUs, NGOs and the Department of Education.

During the back-to-school season, RLC reaches out to various schools and learning institutions to provide necessary items such as equipment, supplies, tools, classroom furniture, as well as rehabilitation work to prepare for the opening of classes, aligning with DepEd's Brigada Eskwela Program.

RLC properties nationwide actively participate in these activities by sending volunteers to assist in the turnover of donations to the beneficiaries. Through this program, schools, NGOs, and learning organizations receive assistance in supplies, tools equipment, rehabilitation services, and more, enhancing the learning environment of the students.

In 2023, RLC achieved the following:

- Distributed 2,380 RLove school bags with school supplies
- Reached 43 schools and organizations
- Supported 15,995 beneficiaries
- Covered 33 areas in the Philippines

RLC is committed to continuing this program and expanding its reach to more schools and communities, thereby supporting the education of more Filipino children.

#### URC-AIG's Kabalikat Program

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 the 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 consumers through the promise of "kalidad" (quality), and to partner farmers through "kita" (profit). Through the Kabalikat Program, the company demonstrates 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, the company's partner farmers themselves became AIG's brand ambassadors. The company also teaches its 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 the company's partner farmers, and to also motivate them to implement the best practices they just learned.

Since 2022, amidst persisting threats on biosecurity affecting the hogs and poultry industry, AIG heightened its Kabalikat services to partner farms, raisers and end-users through its latest Protect Kabalikat program – a specialized technical initiative latched on biosecurity drive, matched with various customer engagement and technical support programs. A pioneering team led by veterinarians called the Kabalikat Protect Team was also developed to concretize AIG's expertise in customer-oriented technical services.

The creation of Protect Kabalikat as well as the establishment of its team of veterinarians have ensured that AIG proactively supports the needs of customers and urgently provides technical assistance to the partners all over the country.

Nationwide Protect Kabalikat efforts were rolled out, offering technical expertise including free consultation services, as well as Protect Kabalikat e-learning series sharing of skills and knowledge in health, sanitation and overall biosecurity measures. Specialized services were tailor-fitted to specific areas based on their ASF and AI zoning requirements, with rendered assistance such as biosecurity audit, disinfection drive, free vaccination and deworming administration, plus round table seminars to end-users and raisers.

The impact of Kabalikat Protect has ensured the continuous viability of AIG's initial Kabalikat Farm program which currently stands at 362 hog Kfarms, 282 Gamefowl Kfarms, and 252 K-kennels nationwide.

With these continuous support towards biosecurity knowledge and measures, assistance in repopulation, and heightened customer-oriented technical services provided to partner farms, kennels, raisers and end-users nationwide, AIG was able to concretize being the pioneering Kabalikat to all agri-partners and stakeholders.

### Flourish Pilipinas

Since 2017, Universal Robina Corporation, through its Flour Division, has empowered aspiring bakers through Flourish Pilipinas, a learning program that aims to foster a nation of baker-entrepreneurs. From educational initiatives and workshops to baking competitions, the program has continuously evolved to recognize, hone, and support the skills, talent, and passion of baker hopefuls.

In its 2023 edition, dubbed Bida Sa Masa, the program focused on equipping community bakers with technical and entrepreneurial skills to turn their passion for baking into a business. The competition held legs in Pasig, Davao, and Sariaya, culminating in a championship round. Four rounds tested the competitors:

- Phase 1 saw contestants competing in an advanced baking workshop.
- Phase 2 had them pitching business plans to a panel of judges.
- Phase 3 put them in a baking and business plan competition that identified the regional winners.
- Phase 4 brought together Phase 3's champions from the Pasig, Sariaya, and Davao legs. They competed in this final round, which retained the same mechanics as Phase 3.

Prizes at stake were startup capital for a business, baking tools and equipment, ingredients and consumables, plaques, and URC Flour products.

In an interview with the champions, the three shared that their experiences in the 2023 URC Flourish Pilipinas: Bida Sa Masa instilled in them invaluable lessons not just in baking but also in business.

Beyond imparting technical lessons, Bida Sa Masa also offered the champions an opportunity to change their lives.

Months have passed since they won Bida Sa Masa, and all three champions have been busy applying their newfound skills and confidence to putting up their dream businesses.

### Sustainable Potato Farming

Under the second phase of its Sustainable Potato Program, URC distributed some 135 tons of potato seed tubers to help hundreds of farmers in Benguet and Mountain Province to realize better harvest yields and improve their income.

The first batch, composed of 108 tons of tubers, was distributed to 268 farmers, while the second batch, totaling 27 tons, benefited another 67 farmers. All 335 farmers are members of the United Potato Producers of Benguet and Mountain Province, Inc. The seedlings are expected to yield 1,350 tons of potatoes in four months, and up to 12,000 tons in 12 months or four planting cycles, according to URC. Since the program's inception in 2019, the organization has received over 333 tons of potato seedlings, estimated to be worth Php 20 million.

URC and DA representatives also visited various barangays in Davao Del Sur and Bukidnon to distribute 27 metric tons of granola table potatoes to over 200 farmer beneficiaries. A collaborative effort with the Department of Agriculture and the Bureau of Plant Industry, the Sustainable Potato Program aims to help potato farmers increase their yields, stabilize prices of highland vegetables, and help the national potato industry.

## Employee Growth and Well Being

Employee growth and well-being encompass a holistic approach to supporting and nurturing the professional development, health, and overall satisfaction of employees within an organization. It involves creating an environment where employees feel valued, empowered, and motivated to thrive both personally and professionally.

To this end, JGSHI and its subsidiaries are dedicated to implementing a range of programs and initiatives tailored to meet the diverse needs of our workforce. These initiatives are designed to empower employees to unlock their full potential, pursue continuous growth, and achieve their career aspirations within a supportive and nurturing environment.

From comprehensive training and development opportunities to wellness programs aimed at promoting physical and mental well-being, we are committed to providing resources and support that enable employees to thrive at every stage of their professional journey. Whether through mentorship programs, skills workshops, or initiatives promoting work-life balance, we strive to create a culture where employees feel valued, respected, and motivated to excel.

In essence, our commitment to employee growth and well-being is not just a priority—it is a fundamental value that guides our approach to fostering a positive and thriving workplace culture. Through our unwavering dedication to our greatest asset—our employees—we aim to create an environment where everyone has the opportunity to reach their full potential.

<p><b>1.41:1</b> Male to Female Ratio</p>	<p><b>21.34</b> hours Training Hours per Employee</p>	<p><b>49</b> occurrences Lost Time Incidents</p>
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## Employee Development Programs

SBU	Program	Activities	Results and Impact	Outcome	SDG (3,4,5,8)
CEB	<b>Fostering industrial harmony through collective bargaining</b>	<ul style="list-style-type: none"> <li>• Unionized through the formation of Juan Wing Association of the Philippines (JWAP)</li> <li>• Formation of Cebu Pacific Airline Pilots’ Association (CPAPA)</li> <li>• Monthly Labor Management Council (LMC) meetings</li> </ul>	<ul style="list-style-type: none"> <li>• 5 consultations with JWAP concerning employee-related policies</li> <li>• 1,404 cabin crew are members of the JWAP</li> </ul>	<ul style="list-style-type: none"> <li>• Zero work disruptions caused by labor issues among flying crew</li> </ul>	SDG 8
	<b>Job Laddering and Salary Structure</b>	<ul style="list-style-type: none"> <li>• Expanded from an 8-level structure to a 16-level ladder to provide career progression framework</li> <li>• Salary Structure Review – comparison with peer companies</li> </ul>	<ul style="list-style-type: none"> <li>• Adjustment in salaries of qualified non-flying employees</li> </ul>	<ul style="list-style-type: none"> <li>• Provides career progression, improves retention, and attracts external talents</li> </ul>	SDG 8
	<b>IncluCEB Space to promote diversity, equity and inclusion</b>	<ul style="list-style-type: none"> <li>• Established partnerships with organizations involved in women's empowerment, LGBT+, and creating new opportunities for persons with disabilities (PWDs)</li> <li>• Gender and Equality Assessment Review (GEARS) with Philippine Business Coalition for Women Empowerment (PCBWE)</li> <li>• Equity, Diversity and Inclusion Policy Review with PBCWE</li> <li>• Self-Identification Survey</li> <li>• Embracing Equity Training</li> </ul>	<ul style="list-style-type: none"> <li>• Survey conducted on the demographic composition of the workforce reveals: 86 LGBT+ employees; 300 PWDs; 290 solo parents</li> <li>• Enhanced and expanded employee benefits to include same-sex and common-law partners (HMO and FOC)</li> <li>• Identification of areas for improvement in CEB's policy and other HR areas (recruitment, learning and development, benefits)</li> </ul>	<ul style="list-style-type: none"> <li>• Increased awareness and visibility of CEB's commitment to equity, diversity, and inclusion (EDI)</li> <li>• Empowered employees to actively contribute to a more equitable working environment</li> </ul>	SDG 3, 4, 5



SBU	Program	Activities	Results and Impact	Outcome	SDG (3,4,5,8)
		<ul style="list-style-type: none"> <li>• Sexual Orientation, Gender Identity, and Expression (SOGIE) 101 Training</li> <li>• Featured Women Value Awardees for Women's Month Celebration</li> <li>• Painted the CEB Crosswalk with rainbow colors for Pride Month Celebration</li> </ul>			
	<b>Juan CEB Community</b>	<ul style="list-style-type: none"> <li>• Launching of thirteen (13) interest groups led by employees from various departments: <ul style="list-style-type: none"> <li>○ Juan eSports</li> <li>○ CEB Skyballers</li> <li>○ Cebu Pacific Football Club</li> <li>○ Juan Spikers</li> <li>○ Juan Fitness Society</li> <li>○ LifeAtCEB</li> <li>○ CEB Sessionistas</li> <li>○ CEB Smashers</li> <li>○ CEB Innovation Network</li> <li>○ CEB Borders</li> <li>○ CEB Cares</li> <li>○ Shutterjuans</li> <li>○ CEB Runners</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Around 1000 employees signed up for membership during the Juan CEB Community Day</li> <li>• Engagement activities conducted in 2023: <ul style="list-style-type: none"> <li>○ BUDminton Tournament</li> <li>○ Call of Duty Mobile Tournament</li> <li>○ CEB Skyballers League Season 1</li> <li>○ Football Tournaments</li> <li>○ Juan Fitness Wellness Programs</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Improve engagement, collaboration and enhance overall employee experience</li> </ul>	SDG 3, 8
	<b>CEB University 2023 Accelerated Program</b>	<ul style="list-style-type: none"> <li>• The program featured a blend of lectures and collaborative work on Harvard business cases, specifically targeting the top development areas identified for leader participants. This includes: <ul style="list-style-type: none"> <li>○ Leading and managing change</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 82% of CEB's target leader population have completed the program</li> </ul>	<ul style="list-style-type: none"> <li>• Tailored classes for priority development areas</li> <li>• Accelerate leadership readiness of CEB's successors and key talents</li> </ul>	SDG 4

SBU	Program	Activities	Results and Impact	Outcome	SDG (3,4,5,8)
		<ul style="list-style-type: none"> <li>○ Influencing partnerships</li> <li>○ Leading team success</li> <li>○ Executing strategy</li> <li>○ Making high-quality decisions</li> </ul>			
	<b>Relaunch of CEB Plus App</b>	<p>Additional features:</p> <ul style="list-style-type: none"> <li>● MyPages – self-service employee information</li> <li>● I.Care – internal customer care for passenger concerns</li> <li>● Darwinbox –recruitment and performance management tool</li> </ul>	<ul style="list-style-type: none"> <li>● 4,800+ device downloads of latest version</li> <li>● Average daily usage of 876 transactions</li> </ul>	<ul style="list-style-type: none"> <li>● Reduced HR processes from physical visits, emails, and waiting time to seconds</li> <li>● Immediate availability of requests</li> </ul>	SDG 8
<b>URC</b>	<b>Build and Strengthen Agile Capability</b>	<ul style="list-style-type: none"> <li>● Agile Academy learning sessions build knowledge and awareness of agile practices and ways of working through continuous flow of relevant learning and development programs for all agile roles. These sessions include Agile Onboarding and Bootcamp, Agile Basics Microlearning courses, and Agile in Sprint, Product Owner and Chapter Lead Academy</li> </ul>	<ul style="list-style-type: none"> <li>● Total of 18,000 training hours or 22 hours per employee</li> <li>● Total of 8 Mancom Business Units 47 squads, 6 batches for Product Owners, 112 sessions for Chapter Leads, with 1,900 participants</li> </ul>	<ul style="list-style-type: none"> <li>● Average feedback score of learning sessions: 4.60 out of 5.00</li> </ul>	SDG 8
	<b>Build and Support Global Leadership Capabilities of Next Generation Leaders</b>	<ul style="list-style-type: none"> <li>● URC Regional Conference: Customized program for the Extended Leadership Team (ELT), including thought leadership sessions, industry thematic discussions, company and site learning expeditions, and workshops.</li> <li>● Leadership Excellence and Advancement Development</li> </ul>	<ul style="list-style-type: none"> <li>● Enhanced leadership skills and knowledge among the ELT.</li> <li>● Increased understanding of industry trends and best practices.</li> <li>● Strengthened organizational culture and alignment.</li> </ul>	<ul style="list-style-type: none"> <li>● Enhanced leadership skills and knowledge among the ELT.</li> <li>● Increased understanding of industry trends and best practices.</li> </ul>	SDG 4, 8

SBU	Program	Activities	Results and Impact	Outcome	SDG (3,4,5,8)
		(LEAD) and Leadership Enrichment and Advancement Program (LEAP): Leadership development programs aimed at enhancing skills and capabilities.		<ul style="list-style-type: none"> <li>Strengthened organizational culture and alignment.</li> </ul>	
	<b>Build and Sustain Digital Learning Channel through URLearning</b>	<ul style="list-style-type: none"> <li>Revitalization of URLearning, URC's learning management system (LMS)</li> <li>Migration from Matrix platform to Disprz platform</li> <li>Relaunch of URLearning in November 2023</li> </ul>	<ul style="list-style-type: none"> <li>Increased access to external content items, with over 500,000 available.</li> <li>Expanded user base, serving 2,500 users.</li> <li>Introduction of new features including partial integration with Darwinbox, automated account management, leaderboard for gamified learning, and personalized learning data dashboards.</li> <li>Improved adoption rate, with 17% of users logging in since the November 2023 launch compared to the previous average monthly utilization of 2.8%.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced learning experience and engagement for users.</li> <li>Increased efficiency in learning management processes.</li> <li>Targeting a 40% adoption rate by 2024, indicating continued growth and utilization of URLearning.</li> </ul>	SDG 4, 5
JGSHI – CCU	<b>Executive Development Program</b>	<ul style="list-style-type: none"> <li>Implemented the Executive Development Program</li> </ul>	<ul style="list-style-type: none"> <li>Over 150 graduates <ul style="list-style-type: none"> <li>EVOLVE (35 leaders)</li> <li>ADVANCE (35 leaders)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Enhance leadership skills</li> </ul>	SDG 8

SBU	Program	Activities	Results and Impact	Outcome	SDG (3,4,5,8)
			<ul style="list-style-type: none"> <li>○ INSPIRE (35-47 leaders)</li> <li>○ Executive Coaching (20 leaders)</li> </ul>		
JGSOC	<b>Enhancing Leadership and Development Program</b>	<ul style="list-style-type: none"> <li>• Continued strong partnerships with universities and with DOLE's Public Employment Services Office (PESO) and resumed onsite participation at school fairs</li> <li>• Leadership Program for frontline leaders and Accelerate Program for High-Potentials.</li> </ul>	<ul style="list-style-type: none"> <li>• Career pathway design for Technician Track in Manufacturing and implemented Technician certifications</li> <li>• Trainings concluded for supervisors on Foundations of Leadership (FOL), and on Accelerate program for high potentials</li> </ul>	<ul style="list-style-type: none"> <li>• Accelerated talent acquisition, with priority on the host community</li> <li>• Succession planning and leadership track of JGSOC's high-performing employees</li> </ul>	SDG 8
RLC	<b>Future Leaders Program (FLP)</b>	<ul style="list-style-type: none"> <li>• Three-month intensive leadership program that aims to equip top performing managers with the necessary knowledge and tools to give them the leader mindset specifically: Leading Self, Leading Others, and Leading the Business.</li> <li>• Coaching sessions</li> <li>• During the 3-month period, the participants are expected to come up with a capstone project proposal that aims to enable them to think creatively while coming up with a potential project that benefits the entire RLC.</li> </ul>	<ul style="list-style-type: none"> <li>• 20 employees enrolled in the program</li> </ul>	<ul style="list-style-type: none"> <li>• Empowered leaders with accelerated management skills</li> <li>• Implementation of the innovative ideas that improve the product and services of RLC</li> </ul>	SDG 8

## “Be A Hero” Campaign

In 2023, the JGSHI culture teams strengthened our group’s PVA (Purpose, Values, and Ambition) awareness through online and onsite activations.

The team supported the goal of the senior leaders to embed our PVA into our ways of working. They worked with the HR representatives from the different business units, the Summit Media events team, and the digital marketing team to create the “Be A Hero” campaign.

The campaign encapsulates the following activities:

1. **What’s your Superpower?** It’s an engaging online quiz like BuzzFeed surveys that employees take, answer several questions, and suggest a value they resonate with based on their answers’ algorithm. More than 5000 participants from the Group increased uptake in our social media channels: LinkedIn and Facebook.
2. **End-to-end Purpose Caravan execution.** The central element of the campaign is the purpose caravan. It involves setting up an engaging game booth for different business units to work and reach employees on the ground for more visibility. The booth encourages people to take a photo they can share on their social media while different ambassadors discuss our PVA. Other prizes and merchandise are also available as giveaways. The booth is also set up based on the business unit’s town hall schedule. We took an hour from the town hall schedule to discuss relevant messages, activities, and updates about the company’s PVA. As a call to action, we asked employees to share and join our company’s Hero Story Contest, where they can tell their stories about being a hero in their way and how they experience themselves connected to our values of entrepreneurial mindset, stewardship, and integrity. Average of 4.69 satisfaction rate from the 11 strategic business units with a total of 6,286 employee participation for both onsite and online activations
3. **Hero Story Contest.** This contest is the last element of the campaign, where we were awarded ten employees during our groupwide recognition program. Each of their stories represents different business units and values and will be created as a video story that we share internally and externally through social media. The result was 80+ stories submitted across the Group; from the stories submitted, ten were awarded as the top hero stories of the year. The initial three videos of this contest gained 5,945 total reaches in our social media channel.

After implementing these activities and campaigns, we review our 2023 annual engagement survey. As a result, we have reached an increase of 2% in our culture index across our group, from 86% in 2022 to 88% in 2023. The culture index measures how our employees know and know the company's purpose, values, and ambition.

At the end of the year, we conducted employee listening and focus group discussions to understand further how the campaigns and activities can help. Based on the listening, they want more of these activities to reach each of their employees, as well as authentic stories and manifestations.

#### JGSHI Project Transform: Office Renovation Prioritizing Employee Wellness and Sustainability

The JGSHI Project Transform merges innovative design with an eco-conscious approach, creating a workspace that revitalizes both the mind and body. By integrating natural elements and implementing energy-efficient lighting and air conditioning systems, every aspect of the design emphasizes the psychological and emotional benefits of connecting with nature.

Moving away from a traditional office setup characterized by cubicles and high enclosures that restrict collaborative work, the new office features more open spaces that encourage collaboration, teamwork, and inclusivity. Embracing the concept of working from anywhere within the office premises, employees are encouraged to utilize free spaces and workstations that enhance their cognitive abilities while safeguarding their mental health and overall well-being.

The Ledge, a tranquil rooftop garden located on the 41<sup>st</sup> floor, is equipped with internet access, allowing employees to work while enjoying the fresh air and breathtaking scenery. The majority of employee gatherings and activities take place at the Ledge, offering a stunning view of Metro Manila.

#### Growing as Juan Family: Cebu Pacific's Focus on Providing a Stable and Healthy Workplace

CEB places a strong emphasis on investing in and empowering its employees. To foster industrial harmony, CEB became a unionized organization through the formation of the cabin crew union Juan Wing Association of the Philippines (JWAP), which is affiliated with the Associated Labor Unions – Trade Union Congress of the Philippines (ALU-TUCP). The signing of the collective bargaining agreement (CBA) between CEB, JWAP, and ALU-TUCP in May 2023 signified CEB's dedication in addressing employee concerns and welfare. In addition, the Cebu Pacific Airline Pilots' Association (CPAPA) was formed to advocate for pilots' concerns. CEB's concerted efforts for maintaining harmony within its workforce has resulted in zero flight crew-related work disruptions and in high engagement scores (85%) in 2023 among both pilots and cabin crew.

CEB also continuously advocates for equity, diversity, and inclusion (EDI) within the organization. In 2023, CEB launched its umbrella EDI program 'IncluCEB Space' aimed at fostering a culture of acceptance and empowerment for underrepresented groups. Priorities under IncluCEB Space include promoting women's empowerment, expanding LGBT+ inclusion, and opening opportunities for persons with disabilities.

CEB partnered with the Philippine Business Coalition for Women Empowerment (PBCWE) to conduct a Gender and Equality Assessment Review (GEARS) and EDI policy review. In addition, CEB rolled out the Self-Identification Survey in June 2023, the Embracing Equity Training in June 2023, and the Sexual Orientation, Gender Identity and Expression (SOGIE) 101 Training in December 2023. These efforts resulted in generating comprehensive data on workforce demographics, identifying areas for improvement in employee policies, increasing awareness of the company's commitment to EDI, and enhancing benefits (medical and free flights) to include same-sex and common-law partners. To further highlight EDI within the organization, CEB featured Women Value Awardees for women's month celebration and launched the first pride flight in the Philippines operated entirely by an LGBT+ crew during Pride month.

To enhance career progression, retention, and talent attraction, CEB partnered in 2023 with Willis Towers Watson (WTW) for a job laddering and salary structure review program. As a result, job levels have been expanded to a 16-level ladder from its previous 8-level structure and salaries were adjusted to achieve a 100% compa-ratio against peers.

CEB also introduced in 2023 the Juan CEB community program comprised of thirteen employee groups representing diverse interests such as music (CEB Sessionistas), sports (Juan Spikers), photography (Shutterjuans), and social media (LifeAtCEB) among others. These groups aim to cultivate collaboration and engagement among employees with shared passions and interests. CEB's programs and initiative in relation with its employees are driven by a sincere intention to prioritize their well-being, recognizing their invaluable contribution to the airline's success.

#### URC Tiered Leadership Programs

The New Leaders' Program (NLP) is a newly created and implemented leadership program. It is a comprehensive leadership development program designed for first-time people leaders shifting from an individual contributor to a people leader role. It aims to equip them with the necessary mindset, knowledge, skills, and tools to bring them up to speed and enable them to carry out their leadership roles more effectively. NLP is an 8-month program where participants are subjected to 72 hours of targeted training.

The debut launch of NLP in October of 2023 was met with anticipation and enthusiasm. A diverse range of 55 leaders locally and from Malaysia and Myanmar confirmed to participate in the program. This batch contributed a total of 1,272 training hours or approximately

23 hours per employee. The program has sustained its excitement and engagement as it finished its 5<sup>th</sup> module with an average post-session feedback score of 4.61 out of 5.00.

The Leadership Enrichment and Advancement Program (LEAP) is a development program designed for Frontline Managers that focuses on basic management skills, better conversations, and team development. It provides a deep perspective that explores the participant’s identity and potential. This approach is rooted in the development of leadership, commercial acumen and functional competencies. A heterogenous class of 22 participants was launched in November of 2023 covering leaders from Manufacturing, Marketing, Supply Chain, Human Resources, Engineering and Strategy. This batch contributed a total of 320 training hours or approximately 15 hours per employee through its first two (2) modules. The program has garnered an average feedback score of 4.76 out of 5.00 for its post session evaluation. The next module, 7 Habits of Effective People – Applications is scheduled in the latter half of February 2024.

### Better Choices

For JGSHI, Better Choices involves offering products, services, and experiences that not only meet customer needs and preferences but also contribute to their well-being, improved access and positive impact to the broader community and environment.

SBU	Program	Activities	Results and Impact	Outcome	SDG (2,8,12)
CEB	<b>Providing affordable and accessible flight options</b>	<ul style="list-style-type: none"> <li>• Reopening and addition of new routes and destinations                             <ul style="list-style-type: none"> <li>○ Reinstatement of the Clark hub with additional 14 routes</li> <li>○ Launched Danang – Manila route</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Over 140,000 flights and over 20.9 million passengers flown</li> </ul>	<ul style="list-style-type: none"> <li>• Connecting communities through direct services</li> <li>• Revenue contribution of PHP 3 billion from Clark hub and Danang-Manila route</li> </ul>	SDG 8
	<b>Improving customer experience during disruption</b>	<ul style="list-style-type: none"> <li>• Change of policy and systems for enhanced options for passengers</li> </ul>	<ul style="list-style-type: none"> <li>• Effective August 2023:                             <ul style="list-style-type: none"> <li>○ No deadline for option selection for disrupted flights</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced customer flexible options policy aims to provide better</li> </ul>	SDG 8, 9



SBU	Program	Activities	Results and Impact	Outcome	SDG (2,8,12)
			<ul style="list-style-type: none"> <li>○ No expiration for travel funds</li> <li>○ 15 days refund processing time</li> <li>○ 18 months validity of travel vouchers</li> </ul>	disruption experience to passengers	
	<b>Improving digital experience</b>	<ul style="list-style-type: none"> <li>• Enhancement of digital self-service channels (website and mobile app)</li> <li>• Utilizing technology and AI to efficiently aid customers with their questions and concerns</li> </ul>	<ul style="list-style-type: none"> <li>• Website/app available in the following languages: Japanese, Korean, Taiwanese, Chinese</li> <li>• Booking changes saved upon successful payment</li> <li>• Simplified MyCebuPacific account login/sign-up process</li> <li>• Enhanced baggage product with additional customer options</li> <li>• Help Center in CEB website and app (April 2023) for customer queries</li> <li>• New Charlie virtual assistant on CEB website, app and Facebook messenger for addressing customer queries and concerns</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance user-friendliness and digital adoption for streamlined transactions and improved customer experience</li> <li>• Enhanced customer care platforms result for decreased wait times and faster customer concern resolution</li> </ul>	SDG 9
	<b>Optimization of Ancillaries</b>	<ul style="list-style-type: none"> <li>• Development of the intuitive interfaces, streamlined processes and workflows for CEB TravelSure</li> </ul>	<ul style="list-style-type: none"> <li>• CEB Travelsure Self-Service Portal (managed by Chubb) for accessing and</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement in customer experience and workload reduction</li> </ul>	SDG 9

SBU	Program	Activities	Results and Impact	Outcome	SDG (2,8,12)
		<ul style="list-style-type: none"> <li>Enhanced CEB Baggage Policy</li> </ul>	<p>managing insurance related information</p> <ul style="list-style-type: none"> <li>CEBTravelSure for International Markets</li> </ul> <ul style="list-style-type: none"> <li>Purchase of up to 3 pieces of 20kg baggage with option to upgrade +4kg, +8kg, or 12kg; Max of 3pcs with total weight of 96kg.</li> </ul>	<ul style="list-style-type: none"> <li>Safeguarding trips of passengers against unforeseen incidents</li> <li>Increases opportunities for growth with expanded markets</li> <li>Flexible baggage options for passengers</li> <li>Improved baggage handling for faster operations and efficiency</li> </ul>	
JGSOC	<b>Innovative petrochemical products and solutions</b>	<ul style="list-style-type: none"> <li>Collaboration with leading third-party institution, UL Solutions, towards verification of sustainability claims for JGSOC products</li> </ul>	<ul style="list-style-type: none"> <li>EVALENE PLUS® random copolymer polypropylene injection molding grades that are validated for enabling an average of 10% energy savings when used to produce clarified polypropylene parts</li> </ul>	<ul style="list-style-type: none"> <li>Energy cost savings</li> <li>Embedding sustainability in EVALENE PLUS® branding</li> <li>Increased sales and market share of polymer polypropylene grades with “green” certifications</li> </ul>	SDG 12
URC	<b>Wellness Criteria</b>	<ul style="list-style-type: none"> <li>Launched Nova Nacho Cheese and Nova Sweet Corn Flavor with real Malunggay leaves in the Snackfoods category</li> <li>Started using natural colors for our snack products</li> <li>Expanded the shift to include our bakery products Wafrets Bar Choco Vanilla, Magic Chips Sour Cream and</li> </ul>	<ul style="list-style-type: none"> <li>100% of total products passed 1 URC Wellness Criteria, 99% passed 2 URC Wellness Criteria, 86% passed 3 URC Wellness Criteria and 36% passed 4 URC Wellness Criteria</li> <li>At the end of 2023, we have in our product portfolio a significant number of products well</li> </ul>	<ul style="list-style-type: none"> <li>Continue to innovate our products to provide consumers with good food choices that they will enjoy</li> </ul>	SDG 2

SBU	Program	Activities	Results and Impact	Outcome	SDG (2,8,12)
		<p>Onion, Magic Chips Cheese, Magic Chips BBQ, Magic Creams Butter and Magic Flakes Sweet Buttermilk in the past two years</p> <ul style="list-style-type: none"> <li>Enhanced Blend 45 Coffee Mix with Malunggay by adding Vitamin C and Zinc, two micronutrients known to help in the normal function of the immune system.</li> </ul>	<p>within most of the Risk Reduction Criteria Thresholds.</p> <ul style="list-style-type: none"> <li>A total of 136 products or 14% out of 951 products are within Threshold for Total Fat, 40% for Less than 6% Added Sugar in Beverages but &lt;10% of total calories, 99% for &lt;230 Calories/serving, 66% to 1mg Sodium is to 1 Kcal Product, and 90% for 0 Trans Fat and 0 Cholesterol.</li> </ul>		
RLC	<b>Green Buildings Certification</b>	<ul style="list-style-type: none"> <li>Leadership in Energy and Environmental Design (LEED) and EDGE Certification</li> </ul>	<ul style="list-style-type: none"> <li>6 buildings certified: <ul style="list-style-type: none"> <li>Cyberscape - Alpha, Beta, Gamma</li> <li>Cybergate Cebu</li> <li>Cyber Omega</li> <li>Giga, Tera, Exxa &amp; Zeta Tower</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Improved building credentials required by tenants</li> </ul>	SDG 12

### Building Juan Community: Cebu Pacific Builds a Culture of Effective and Responsible Practices Towards Business Continuity

Strong governance is a protection against disruptions and ensures business continuity. In CEB, two critical areas under governance are emergency preparedness and cybersecurity.

To enhance overall emergency preparedness, CEB participated in a Crash and Rescue Exercise (CREX) last August 2023 in collaboration with the Manila International Airport Authority (MIAA). The activity was aimed to showcase effective response coordination in the event of an aircraft accident. Participants included various stakeholders such as CEB's Centralized Business Resilience and Family Assistance Center

teams, MIAA representatives, and ground handler 1Aviation. The exercise involved simulated scenarios, including crash and rescue, survivor reception, and family assistance centers activation. CEB's participation is part of the company's efforts in building a resilient organization that is capable of responding effectively to crisis events and collaborating with external stakeholders during crisis situations.

Cybersecurity plays a vital role in safeguarding the integrity and reliability of CEB's operations. CEB has put in place several security measures through programs such as security awareness training and phishing tests, both of which are focused on enhancing employees' understanding of cyber threats, social engineering, and cyber hygiene. These efforts aim to reduce human error as a cybersecurity risk, enhance incident response capabilities, and ensure compliance with industry standards and regulations. In 2023, 96% of the CEB population completed various cybersecurity training modules. Phishing tests also saw a notable decline in vulnerability, dropping from 25-35% in 2018 to 7-11% in 2023. These results contribute towards CEB's cybersecurity resilience.

In addition, CEB conducts both internal and external audits to uphold compliance with industry standards and regulations. In 2023, CEB successfully completed audits on IT general controls related to finance and operations conducted by SGV&Co., on examined data security, backup processes, and IT business continuity as part of the IATA Operational Safety Audit, and on data privacy regulations with the National Privacy Commission.

Capping off 2023, CEB achieved another milestone in corporate governance with a 2-arrow citation from the Institute of Corporate Directors' Golden Arrow Recognition. Given in September, the award was based on CEB's performance in the ASEAN Corporate Governance Scorecard that measured conformance with the Philippine Code of Corporate Governance and other international practices.

## Our Governance and Enterprise Risk Management

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

### Corporate Governance

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

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

In addition, JGSHI considers that compliance with the highest standards of corporate governance translates to better value propositions for its shareholders and other stakeholders (*e.g.*, employees, customers, suppliers, creditors, and communities), minimized risks, growth, and sustainability. In line with this, it adopts the long-term strategic planning framework called “OGSM” (Objectives, Goals, Strategies and Measures). It begins with a **purpose**, an inspiring articulation of the company’s reason for being and the role it plays in the lives of its stakeholders; the **vision** for the next 3-5 years; the **financial and non-financial goals**, the strategic choices **about where to compete**, and the **strategies to be employed to win**. The Board also regularly reviews and monitors the execution of the OGSM through discussions of the JGSHI’s CEO Scorecard, the group’s quarterly financial performance, and updates on its How-to-Win strategies. Ultimately, in its pursuit to heighten observance of good corporate governance in light of emerging trends, JGSHI is resolutely and relentlessly carrying out its business purpose and intention of offering better choices to its customers, and of creating shared success with all its stakeholders.

#### I. Board of Directors

##### A. Board Responsibilities

The Board is primarily responsible for the governance of the Company. JGSHI is headed by a competent and working Board to ensure the Company's unremitting success and sustain its competitiveness and profitability in a manner consistent with its OGSM and the long-term best interests of shareholders and other stakeholders.

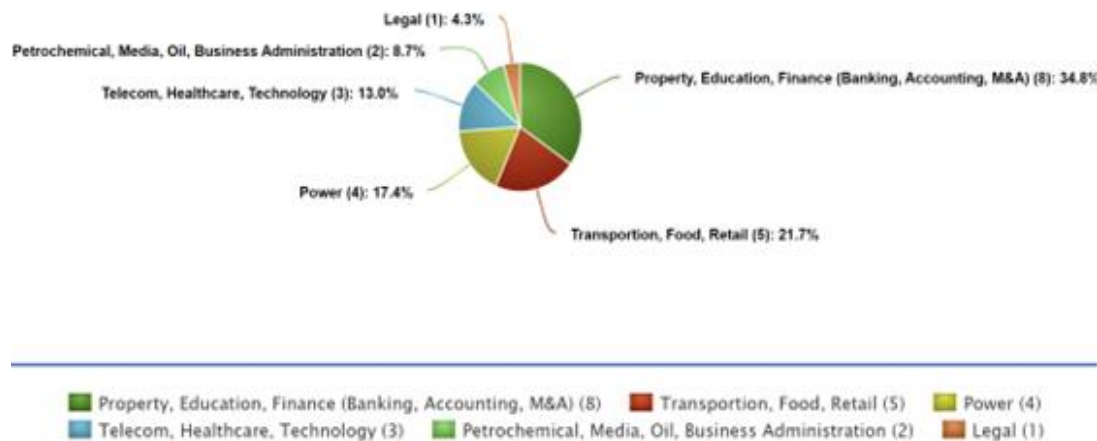
The Board exercises care, exceptional skill, and sound judgment, as well as observes good faith and loyalty in the conduct and management of the business and affairs of the Company. This ensures that all the Company's actions are within the scope of power and authority prescribed in the Articles of Incorporation,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

The Board's detailed roles, duties and responsibilities in compliance with relevant laws, rules and regulations are defined in the [RCGM](#).

## B. Board Composition and Independence

### B.1. Balanced Board and Diversity

#### Directors' Professional Background



The Company recognizes the benefits of having a diverse Board and its value in maintaining sound corporate governance while achieving strategic objectives and sustainable growth. The Directors' biographical details are set out in the [JGS Annual Report \(17A\)](#) –

[December 2023 \(Part 1\)](#), **Part III Control and Compensation Information, Item 9, Directors** or Leadership page of the Digital Annual Report. Each Director provides a unique business perspective, experience and set of skills, all valuable to the Company.

In the implementation of its [Board Diversity Policy](#), JGSHI does not discriminate by reason of gender, age, disability, ethnicity, nationality, political, religious, or cultural backgrounds of its directors, officers and employees. Specifically for the Board, when searching for candidates for director, the Company, uses professional search firms or other external sources as a policy. Thus, the incumbent Board is diverse in terms of expertise, gender and professional experience and academic backgrounds.

The directors of the Company are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified. In 2023, the composition of the Board, all of whom possess the necessary qualifications and none of the disqualifications, is as follows: Non-Executive Directors (3); Independent Directors (4) and Executive Directors (2). At present, the Company has one (1) female Non-Executive Director and is actively exploring through external search channels for a female candidate, with a wide-range of expertise that will fit the Company's needs (*e.g.*, aligned with its strategic directions), to nominate as one of the Independent Directors in the next shareholders' meeting.

#### **B.2. The Chairman of the Board and the President and CEO**

In JGSHI, the position of the Chairman of the Board is separate from the President and CEO to further strengthen the Board's independence. This is to ensure a clear distinction between the Chairman's responsibility to manage the Board that exercises corporate powers and conducts business; and the CEO's responsibility to manage the executives that implement the policies in the conduct of the business in accordance with the Company's Amended By-Laws and RCGM. The Chairman of the Board is Mr. James L. Go, while the President and CEO is Mr. Lance Y. Gokongwei.

#### **B.3. The Chairman**

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

The detailed duties and responsibilities of the Chairman can be referenced in the [RCGM](#).

#### **B.4. Independent Directors**

The Board has Independent Directors, who are occupying four (4) out of the nine (9) Board seats or more than one-third (1/3) of the members of the Board, and who possess all the necessary qualifications and none of the disqualifications to hold the position. They are independent of management and the controlling Shareholders, and are free from any business or other relationship which could, or

could reasonably be perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as Directors.

#### **B.5. Lead Independent Director**

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

On May 15, 2023, the Board appointed Independent Director Antonio L. Go as the Lead Independent Director to perform the following functions: i.) To serve as intermediary between the Chairman and the other directors when necessary; ii.) To convene and chair meeting of the Non-Executive Directors; and iii.) To contribute to the performance evaluation of the Chairman, as required.

### ***C. The Board Committees***

To enable a better and more focused attention on the affairs of the Company and to aid in the optimal performance of its roles and responsibilities, the Board approved the delegation of particular matters to the two (2) Board Committees namely: i.) Audit, Related Party Transactions and Risk Oversight Committee<sup>3</sup> and ii.) Governance, Nomination, Remuneration and Sustainability Committee (formerly Corporate Governance and Sustainability Committee).

#### **C.1. Audit, Related Party Transactions and Risk Oversight Committee ("AURROC")**

As provided in the Company's RCGM, the role of the AURROC is to oversee the Company's financial reporting, internal control system, internal and external audit processes, and monitor compliance with applicable laws and regulations, and internal policies for efficiency and effectiveness of business operations, and proper safeguarding and use of the Company's resources and assets; to ensure that the group-wide policy and system governing Material Related Party Transactions ("MRPTs"), particularly those that breach the materiality threshold is in place and effectively working including review and approval thereof to guarantee that transactions are transparent, conducted fairly and at arm's length; and to oversee the establishment of Enterprise Risk Management ("ERM") framework that will effectively identify, monitor, assess, manage, and report key business risks as well as provide oversight over its risk management policies and procedures. In addition to these, under the RCGM, the AURROC has the primary responsibility to appoint and remove the external auditor as well as the head of internal audit.

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<sup>3</sup> The Company is targeting to separate AURROC into two (2) committees in 2024: 1.) Audit and Related Party Transactions Committee; and 2.) Risk Oversight Committee.



## C.2. Governance, Nomination, Remuneration and Sustainability Committee (“GNRSC”)

As provided in the Company’s RCGM, the role of the GNRSC is to oversee the development and implementation of Corporate Governance principles and policies and perform oversight functions on the Economic, Environment, Social and Governance aspects of Sustainability and recommend a formal framework on the nomination, and evaluation of the performance of the Directors and Senior Management to ensure that this framework is consistent with the Company’s culture, strategies and the business environment. This includes the following functions: oversight of the implementation of a Corporate Governance framework and periodically review the same to ensure that it remains relevant to the Company; to monitor compliance with the Code of Business Conduct and Ethics and accompanying Corporate Governance policies; to oversee Board evaluation and continuing education/training; to implement remuneration matters for corporate and individual performance; to define the nomination, election, and succession planning for the Board and key officers; and to provide guidance and oversee policy-making on the Company’s sustainability strategies, programs, initiatives and reports. The GNRSC also evaluates management’s effectiveness in maximizing climate-related risks and opportunities into JGSHI’s strategy planning.

## C.3. Board Committee Composition

The Board Committee Chairman and Members, who are all Independent Directors, and have finance, accounting and/or business administration background, are as follows:

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

The AURROC and GNRSC Charters can be accessed here: <https://www.jgsummit.com.ph/corporate-governance/the-board-committees>

## D. Board and Board Committee Meetings

The Board schedules its meetings at the last quarter of the preceding year. It holds regular meetings in accordance with its Amended By-Laws, and convenes special meetings when required by business exigencies. The notice and agenda of the meeting and other relevant meeting materials are furnished to the directors at least five (5) business days prior to each meeting. As can be seen in the Certificates of Attendance of Meetings, the Independent Directors have complete attendance for 2023.

In 2023, the Board met twelve (12) times and in all meetings, there was a quorum (2/3 of the number of directors). There were a total of eight (8) Board Committee meetings in 2023: four (4) AURROC Meetings, and four (4) GNRSC meetings.

In addition to the Board and Board Committee meetings, on November 8, 2023, the Independent Directors, who are members of AURROC had a meeting with the External Auditor without anyone from management present. On the same date, under the chairmanship of Mr. Go as the Lead Independent Director, the Non-Executive Directors (“NEDs”) and Independent Directors (“IDs”) had a meeting with the External Auditor (“EA”), Chief Audit Executive (“CAE”), Chief Finance and Risk Officer (“CFRO”), and Chief Compliance Officer (“CCO”), and thereafter, they met without said executives present.

For the attendance of directors, please refer to the [Definitive Information Statement](#).

## **E. Board Progress and Development**

### **E.1. Board Assessment**

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

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

The annual self-assessment is also supported by an external facilitator every three (3) years and allow for a feedback mechanism for stockholders pursuant to the recommendation in the Code of Corporate Governance for Publicly-Listed Companies (“CG Code for PLCs”). In 2022, JGSHI engaged Good Governance Advocates and Practitioners of the Philippines (“GGAPP”) as its independent Third-Party Board Evaluator in the conduct of the Board Self-Assessment. In 2023, JGSHI customized the template from GGAPP to conduct its Board Self-Assessment and the results were reported to the GNRSC and the Board on August 9 and 10, 2023, respectively.

See Board evaluation form found at the “**Board Development**” sub-portion of the “**Board and Committees**” tab under the “**Governance**” page of the Company website at <https://www.igsummit.com.ph/docs/2022%20JGSHI%20Board%20Evaluation%20Form.pdf>

## **E.2. Board Training and Orientation**

The Company ensures that directors can perform their functions effectively in this rapidly changing environment to cope with heightened regulatory policies, foreign and local demands, and the growing complexity of the business. Orientation programs are conducted for first-time directors to ensure that new members are appropriately apprised of their duties and responsibilities. This includes overview of the Company’s operations, Corporate Governance framework and other relevant topics essential in the performance of their functions. Aside from orientation programs for new directors, the current directors including all key officers and employees undertake an annual e-learning refresher course of the Company’s Code of Business Conduct and Ethics. Last year, the refresher course was launched on November 28, 2023.

As a matter of continuous professional education, the Company facilitates training opportunities for the directors and key officers annually. An in-house SEC-accredited Corporate Governance session for the directors and key officers of JGSHI entitled “ESG Session on the **JGSHI** Board” and facilitated by speaker Mr. Dedy Mahardika of the Carbon Disclosure Project (CDP) in Southeast Asia and Oceania, was virtually held on February 23, 2023.

Another SEC-accredited Corporate Governance webinar for the JGSHI directors and officers entitled “Unbox Extra: The Innovation Festival” was held on June 14, 2023 with the following topics and speakers:

<b>Topic</b>	<b>Speaker</b>
Harnessing the Potential of Generative AI in the Philippines	Anthony Oundjian
Data Analytics & Gen AI	Jan Michael Jaudian
Process Improvement Using Generative AI	Suzanne Lee
Customer Experience and AI	Stephanie Sy
Empowering Employees	Janet Uy

These two (2) Corporate Governance training sessions were authorized by SEC to be rebroadcasted on October 19, 2023 for Directors and Key Officers that were not able to attend both trainings.

## F. 2023 Board Remuneration

Based on the [Succession Planning and Remuneration Policy](#) of JGSHI, the remuneration of the Board is recommended by the GNRSC and approved by the Board, whose actions are ratified by the shareholders during the ASM. In 2023, the directors and the Chairman received a per diem of Php 210,000 for every meeting, while advisors in committee meetings received Php 105,000.

Type of Meeting	Chairman	Directors / Committee Members	Advisory Member
Board Meeting	210,000	210,000	
Board Committee Meeting	210,000	210,000	105,000

For more info. on Board Compensation, please refer to the [Definitive Information Statement](#).

## II. Management

### A. Officers

#### A.1. President and CEO

**Lance Y. Gokongwei**, 57, is the President and Chief Executive Officer (CEO) of JGSHI since May 14, 2018. He oversees the operations of the Company and manages human and financial resources in accordance with the strategic plan. He also provides leadership for Management in determining, developing, and implementing business strategies, plans and budgets to the extent approved by the Board. He provides the Board with a balanced and understandable account of the Company's performance, financial condition, results of operations and prospects, on a regular basis.

More details on the **background and experience** of the President and CEO can be found in the [JGS Annual Report \(17A\) – December 2023 \(Part 1\)](#), Part III, Item 9, Directors, while those of the key officers below can be found in the [JGS Annual Report \(17A\) – December 2023 \(Part 1\)](#), Part III, Item 9, Executive Officers. Likewise, the detailed duties and responsibilities of the President and CEO, and key officers can be referenced in the [RCGM](#) that is posted in the Company's website.

## **A.2. Corporate Secretary**

**Atty. Maria Celia H. Fernandez-Estavillo**, 52, is the Chief Legal Officer and Corporate Secretary of JGSHI since October 1, 2020. She assists the Board and the Board Committees in the conduct of their meetings, including preparation of the annual schedule of Board and Committee meetings and the annual Board calendar. She also assists the Chair and its Committees in setting agendas for the meetings, safekeeps and preserves the integrity of the minutes of the meeting of the Board and its Committees, as well as other official records of the Company.

## **A.3. Chief Finance and Risk Officer**

**Brian M. Go**, 50, was appointed as the Chief Finance and Risk Officer (“CFRO”) of JGSHI on July 1, 2021. He leads the Enterprise Risk Management (“ERM”) process that will ensure a sound ERM framework is in place to effectively identify, monitor, assess, and manage key business risks including climate-related risks. He spearheads the development, implementation, maintenance, and continuous improvement of ERM processes and documentation. He is in charge of communicating and reporting significant risk exposures, control issues, and risk mitigation plans, including those for climate-related risks, to the AURROC.

## **A.4. Chief Human Resources Officer**

**David Gulliver G. Go**, 52, is the Chief Human Resources Officer (“CHRO”) of JGSHI, and was appointed on July 1, 2021. He is responsible for executing the Corporate Human Resources mandate to strengthen succession, enhance employee experience and people analytics, and a drive a groupwide purpose-driven, values-based culture.

## **A.5. Chief Strategy Officer**

**Michael P. Liwanag**, 50, was appointed as the Chief Strategy Officer (“CSO”) of JGSHI on August 15, 2022. He is in charge of assisting the Board in overseeing the long-term OGSM of the Company and executing the same to ensure an effective management performance that is attuned to the Company’s business environment, and culture.

### **A.5.1. Investor Relations Officer**

**Carlos R. Yu, Jr.**, 33, is the Corporate Strategy and Investor Relations Director of JGSHI, effective August 15, 2022. The Investor Relations Office was created under the Corporate Strategy Office. As JGSHI’s Investor Relations Officer (“IRO”), he is tasked to effectively manage the two-way communication between the capital markets and the JGSHI leadership team to drive shareholder value maximization.

## **A.6. Chief Audit Executive**

**Rya Aissa S. Agustin**, 43, is the Chief Audit Executive (“CAE”) of JGSHI, appointed on July 1, 2021. She is in charge of periodically reviewing and ensuring the implementation of the Internal Audit charter, and internal audit plan, and presenting it to the Senior Management and the AURROC for approval, coordinating activities with the work of other internal and external assurance and consulting service providers as needed, submitting to the AURROC a risk-based internal audit plan for review and approval, communicating to the AURROC the impact of resource limitations on the internal audit plan, ensuring adherence to the Company’s relevant policies and procedures, and emerging trends and successful practices in internal auditing are considered.

## **A.7. Chief Corporate Affairs and Sustainability Officer**

**Renato T. Salud**, 60, is the Chief Corporate Affairs and Sustainability Officer (“CCSO”) of JGSHI since March 21, 2016. He oversees the conglomerate’s efforts in government affairs, communications, and sustainability. The CCSO manages the key relationships with external stakeholders such as government agencies, regulators, industry associations and the media and is responsible for shaping the conglomerate’s brand reputation that includes developing and implementing communication strategies and addressing any issues or crises that may arise. He ensures sustainability principles are integrated across all business units and that each subsidiary aligns with overall sustainability goals of the conglomerate.

### **A.7.1 Sustainability and Corporate Social Responsibility Head**

**Yvonne Purisima Garcia Flores**, 55, is the Sustainability and Corporate Social Responsibility Head of JGSHI since June 2022. She leads the development of the conglomerate’s sustainability and corporate social responsibility (“CSR”) strategies, ensuring alignment with business objectives, purpose and values. She sets the overall sustainability and CSR strategy framework within which relevant opportunities and issues are identified and then sets achievable targets, and oversees implementation. She is also responsible for monitoring performance versus agreed sustainability related performance targets and producing regular reports useful and relevant for critical stakeholders. Internally, she designs and provides capacity-building opportunities for senior leaders to enable integration of Sustainability into decision-making. Her role is likewise to guide the businesses on best practices in engaging and giving back to communities through corporate social responsibility programs. She represents the group in sustainability-related external bodies through public speaking and industry engagement, ensuring the group’s views and advocacies are articulated and considered.

## **A.8. Chief Compliance Officer**

**Atty. Laurinda R. Rogero**, 47, was appointed Chief Compliance Officer on March 30, 2022. She monitors, reviews, evaluates and ensures the compliance by the Company, its directors, officers and employees with the provisions and requirements of the RCGM and the relevant laws, the CG Code for PLCs, rules and regulations and all governance issuances of regulatory agencies. She also ensures the integrity and accuracy of all documentary submissions to the regulators, identifies possible areas of compliance issues and works towards the resolution of the same. She assists the Board and the GNRSC in the performance of their governance functions, including their duties to oversee the formulation or review and implementation of the Corporate Governance structure and policies of the Company.

#### **B. *Security Ownership of Management as of December 31, 2022***

The Directors and Officers are required to immediately report any changes in ownership of shares of its directors and key officers or within three (3) business days from said occurrence. The detailed table of Security Ownership of Management over any shares of the Company as of 31 December 2023 is reported in the [JGS Annual Report \(17A\) – December 2023 \(Part 1\)](#), Part III, Item 11 (2).

#### **C. *Executive Compensation***

The aggregate compensation given to officers and directors of the Company for the last 2 years and projected for the ensuing year (2023) is reported in the [JGS Annual Report \(17A\) – December 2023 \(Part 1\)](#), Part III, Item 10.

### **III. Revised Corporate Governance Manual (“RCGM”) and Corporate Governance Policies**

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

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

The Company’s RCGM and Corporate Governance policies below are posted in its website under the Governance section and can be accessed through this [LINK](#).

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

#### ***A. Code of Business Conduct and Ethics (“Code”)***

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

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

JGSHI upholds its commitment to the highest standards of integrity as set out in the Company's core values. It is the duty of its employees to avoid acts which might reflect adversely upon the integrity and reputation of the Company and to act with honor in every undertaking with all the stakeholders, keeping in mind the principle of always doing the right thing because it is the right thing to do, even when no one else is watching. This policy aims to strengthen and solidify the Company's stand to maintain appropriate ethical and responsible business conduct and avoid all opportunities for bribery and corruption and applies to all employees of JGSHI, as well as to their agents and representatives.

#### ***C. Conflict of Interest Policy***

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

#### ***D. Material Related Party Transactions (“MRPT”) Policy***



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

This policy ensures that accountability of the Board and Management for MRPTs are in place. Aside from disclosure of conflict of interest, as provided in this Policy, directors and officers with material interests in any transaction and an actual or potential conflict with the Company abstain from participating in the deliberation of the same.

#### ***E. Whistleblowing Policy***

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

#### ***F. Insider Trading Policy***

The Company abides by the provisions of law set forth in the Securities Regulation Code and implements policies and procedures to prevent the unauthorized disclosure or misuse of material, non-public information in securities trading to preserve its reputation and integrity. This policy provides guidelines in promoting compliance to the Securities Regulations Code provisions relating to the prohibition of fraud, manipulation and insider trading. It aims to maintain the confidence and trust of stakeholders by preserving the reputation of integrity and ethical conduct of the Company as well as all the persons affiliated with it. In accordance with this policy, directors and officers are required to disclose their dealings in company shares immediately or within three (3) business days from the transaction.

#### ***G. Succession Planning and Remuneration Policy***

The Company ensures that the remunerations of directors, officers and employees are sufficient and competitive with other similar industries, through market salary surveys, to be able to attract those who are qualified and competent, as well as retain them. This Policy aims to ensure the systematic and long-term development of individuals at the senior management level as ready replacement when the need arises due to deaths, disabilities, retirements and other unexpected occurrences. It applies to the succession planning and remuneration of the Board of Directors, Key Management Personnel and Senior Management Team members as defined and identified by the GNRSC.

## IV. Compliance Monitoring and Implementation

### A. Training

#### A.1. In-house Corporate Governance Training

To keep abreast with industry developments, business trends and best practices, JGSHI annually organizes in-house corporate governance trainings for its directors and officers discussed in “**Part I.E.2 – Board Training and Orientation**” under this section (“**Our Governance and Enterprise Risk Management**”) of the Sustainability Report.

#### A.2. Business Conduct and Anti-corruption Programs and Procedures

The ethical and behavioral standards that are expected of directors, officers and employees are set out and embodied in the Company’s Code of Business Conduct and Ethics, Anti-Corruption Programs, Company Policies and Offenses Subject to Disciplinary Action (“OSDA”), among others. The same are disseminated to all directors and employees across the Company through trainings and advisories to embed them in the Company culture. On November 28, 2023, JGSHI launched its second (2<sup>nd</sup>) version of the online refresher course of the Code of Business Conduct and Ethics and completed 100% training compliance for both its directors and employees by end of 2023. Likewise, new employees undergo an orientation program on the Company’s policies and procedures (*e.g.* Business Conduct and Ethics) embedded in its Darwinbox System.

The anti-corruption programs and procedures of the Company cover the following: i.) Conflict of Interest, ii.) Conduct of Business and Fair Dealings, iii.) Receipt of Gifts from Third Parties, iv.) Compliance with Laws and Regulations, v.) Respect for Trade Secrets/Use of Non-public Information, vi.) Use of Company Funds, Assets and Information, vii.) Employment and Labor Laws and Policies, viii.) Disciplinary Action, ix.) Whistleblowing, and x.) Resolution of Conflicts.

JGSHI participates in organizations engaged in programs in the field of corporate governance, compliance and business ethics, which enables the Company to have access to materials, discussions and trainings related to corporate governance, as well as interact with other governance and ethics professionals around the world. JGSHI representatives are members of the Good Governance Advocates and Practitioners of the Philippines, and International Bar Association and attends their trainings including that of the Institute of Corporate Directors.

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

## B. *Conflict of Interest Disclosures*

Directors and employees of the Conglomerate are required to comply with the Self-Disclosure Activity on Conflict of Interest and Declaration of Gifts Received on an annual basis pursuant to the CG Code for PLCs, which was embodied in the Company's Code of Business Conduct and Ethics and its Conflict of Interest Policy.

On February 7, 2023, pursuant to the Company's Code of Business Conduct and Ethics and Conflict of Interest Policy, the Company commenced the Annual Self-Disclosure of Conflict of Interest and Declaration of Gifts Received covering calendar year 2022 until the time of disclosure. All directors and employees of JGSHI submitted their self-disclosure form in 2023. There were 21 employees that disclosed a conflict of interest. Out of these 21 employees, 3 were investigated and cleared to be without actual conflict.

## C. *Whistleblowing*

### C.1. Integrity and Ethics Council

The Company also has an established suitable framework for whistleblowing that allows employees and other stakeholders to freely communicate, without fear of any form of retaliation, concerns about any aspect of business operation (*e.g.*, violations of Company policies, its Code of Business Conduct and Ethics, criminal or unlawful acts or omissions, instances when an act or omission endangers the health and safety of employees) and any other complaints including unethical practices or behavior, misconduct, malpractice, irregularities or risks against the Company. All information received in connection with the reports or disclosures are strictly confidential and not disclosed to any person without prior consent of the Integrity and Ethics Council ("IECON"). Internal and external persons reporting have the option to use email, *iSpeak*, or send mail through the postal services and have direct access to JGSHI's designated Lead Independent Director ("LID") through its IECON, a unit created to handle whistleblowing concerns that directly reports all whistleblowing incidents to the LID.

Any employee, business partner and other stakeholders may discuss or disclose in writing any concern or potential violation of the Code of Business Conduct and Ethics with the IECON. Reports can be done through email using the following contact details:

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

Mailing Address: IECON JG Summit Holdings, Inc., 40/F Robinsons Equitable Tower ADB Avenue corner Poveda St., Ortigas Center, Pasig City Metro Manila, Philippines

**Online Platform:** "*i-Speak*", is an online whistleblowing portal available for access 24/7 by the public in the Company's website through this link: [i-Speak Report](#)

The above-mentioned whistleblowing portals are likewise in the “**Contact Us**” page of the Company website: <https://www.jgsummit.com.ph/contact-us>

In 2023, there were no whistleblowing cases received through its *iSpeak* and email channels which were directly intended for JGSHI. However, the reports evaluated to be valid were forwarded to the appropriate Strategic Business Units (“SBUs”) and action taken by them were monitored and reported to the GNRSC and the Board.

## **C.2. iSpeak**

On March 14, July 4 and December 6, 2023, pursuant to the Company’s Code of Business Conduct and Ethics and Conflict of Interest Policy, the Company released email communications encouraging employees to report whistleblowing concerns via *iSpeak*.

In 2023, the IECON Secretariat reported to the GNRSC and the Board that in 2022, it received a total of nine (9) whistleblowing reports via the *iSpeak* portal. Out of the nine (9) reports, three (3) were invalidated for lack of information, while six (6) were endorsed to the SBU for further handling.

## **C.3. Email**

The IECON Secretariat received a total of two hundred forty-nine (249) reports via the [iecon@jgsummit.ph](mailto:iecon@jgsummit.ph) email address in 2023. Out of the 249 emailed reports, twenty (20) reports were customer-related, eighteen (18) were employment-related, six (6) were requests for information/data/footage, two (2) were regarding sponsorships or solicitation, two hundred one (201) reports were for supplier offers/ proposals/ marketing/ accreditation, while two (2) were in blank. These emails received were no longer reported to the IECON as these were not whistleblowing cases.

## **D. Compliance Report**

### **D.1. Integrated Annual Corporate Governance Report (“I-ACGR”)**

The Company submitted the 2022 Integrated Corporate Governance Report (“I-ACGR”) to the SEC and PSE on May 26, 2023. The I-ACGR is a reportorial requirement under SEC Memorandum Circular No. 15 series of 2017 for all PLCs to disclose the Company’s compliance or non-compliance with the recommendations provided under the CG Code for PLCs. With the “comply or explain” approach, voluntary compliance to recommended corporate governance best practices is combined with mandatory disclosure.

The Company’s I-ACGR, can be accessed through the Governance section of its website using this [LINK](#).

## **D.2. Compliance Manual**

The Company has a compliance program or manual, which was approved on March 29, 2023, and covers compliance with relevant laws, regulations and policies that is annually reviewed. The manual has the following contents: i.) Compliance System, ii.) Compliance Structure; iii.) Compliance Program, iv.) Compliance Review, and v.) Compliance Training and Awareness initiatives.

## **V. Stakeholder Engagement**

The Stakeholder Engagement is thoroughly discussed under “[Stakeholder Engagement](#)” of the “**Materiality**” section of this Sustainability Report.

### **A. Shareholders**

#### **A.1. Annual Stockholders’ Meeting**

JGSHI is transparent and fair in the conduct of its Annual and Special Shareholders’ meetings and encourages active shareholders participation under its Amended By-Laws, such as nominating candidates to the board or calling for a general or special meeting by minority stockholders.

In compliance with the CG Code of PLCs, the Amended By-Laws and the RCGM, the initial Notice of the Annual Stockholders’ Meeting (“Notice”) was filed to the SEC and PSE, uploaded on the Company website and disseminated to shareholders on March 14, 2023, as amended on March 27, 2023, or at least twenty-eight (28) days before the Annual Stockholders’ Meeting (“ASM”) held on May 15, 2023. The Definitive Information Statement which contains the Notice was filed with the SEC and PSE on April 18, 2023. In addition, the Notice was disseminated to shareholders and other stakeholders via publication in the Manila Standard and Business World for two (2) consecutive days in both online and print on April 20-21, 2023. The Notice of ASM, published in English, enumerated and explained the agenda items requiring stockholders’ approval with one agenda item per topic, and contained the following: i.) a rationale and explanation for each agenda item; ii.) the profiles of directors (with age, academic qualification, date of first appointment, experience, and directorships in other listed companies); iii.) SyCip Gorres Velayo & Co. (“SGV & Co.”) as the external auditor seeking reappointment; iv.) readily available proxy documents; v.) ratifying acts of the Board such as the compensation or remuneration of executive directors and key officers; vi.) voting procedure; vii.) information regarding the appointment of an independent party to validate the votes; viii.) the class of shares allowed to vote, among others.

The ASM was conducted by remote communication and was attended by shareholders owning or representing a majority of the outstanding capital stock and by all of the Board of Directors. The shareholders individually elect each director through ballot, and were allowed to cast

their votes by proxy or *in absentia* on each agenda item presented to them for approval, with the number of votes approving each agenda item indicated in their respective sections in the Minutes of the ASM. Shareholders who were unable to attend were apprised ahead of time of their right to appoint a proxy, subject to the requirements of law, rules and regulations and the Amended By-Laws. In order for the Company to properly conduct validation procedures through its external auditor, SGV & Co., stockholders who wished to participate via remote communication were instructed to notify the Company through email of their desire to vote *in absentia*.

The shareholders were also given the opportunity to send in their questions, express opinions, and make suggestions on various issues related to the Company by electronic mail. The Company received questions and provided responses which are indicated in the section on **“Consideration of Other Matters”** in the Minutes. The Minutes of the ASM held on May 15, 2023, may be viewed and/or downloaded at the **“Disclosures”** page of the Company website <https://www.jgsummit.com.ph/docs/2023/11/JGS%20Minutes%20of%20ASM%202023.pdf>

## **A.2. Dividends**

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

The Board approved in 2023, the declaration of a regular cash dividend in the amount of Forty Centavos (₱.40) per common share from JGSHI’s unrestricted retained earnings as of December 31, 2022, to all stockholders of record as of May 23, 2023.

## **A.3. Shareholders’ Rights**

The Company is committed to ensuring fair and equitable treatment of all shareholders, whether they are controlling or minority, local or foreign. The Company respects the rights of all shareholders as provided under the Revised Corporation Code and other laws, and as stated in its RCGM. These rights relate to the following, among others: the (1) right to participate and vote on all matters that require their consent or approval in general shareholder meetings, including election and removal of Board members; (2) right to inspect corporate books and records; (3) right to obtain relevant and material information on the corporation on a timely and regular basis; (4) right to dividends; (5) appraisal right; (6) the right to secure methods of ownership registration; and (7) convey or transfer shares. In furtherance of these rights,

an Investor Relations Officer (“IRO”), under the Corporate Strategy Office, was appointed in order to communicate to the shareholders all material information on the activities of the Company.

For inquiries related to Investor Relations, such as the Company’s Financial Results and Operating Performance – Quarterly and Annual Reports, Sustainability Reports, Shareholding Structure, Shareholders Information, and related information, shareholders and other stakeholders may visit the “**Investor Relations**” page of the Company website at <https://www.jgsummit.com.ph/investor-relations/investor-relations-program> and the “**Contact Us**” page <https://www.jgsummit.com.ph/contact-us> or contact the Company’s IRO below:

**Carlos R. Yu, Jr.**

*Director, Corporate Strategy and Investor Relations*

Phone: +632 8633-7631 loc. 530

Email: IR@jgsummit.com.ph

40F Robinsons Equitable Tower, Ortigas Center, Pasig 1605

**B. *Duty to Other Stakeholders***

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

**B.1. Customers’ Welfare**

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

**B.2. Supplier/Contractor Selection**

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

### **B.3. Employees**

The Board also establishes policies, programs and procedures that encourage employees to actively participate in the realization of the Company's goals and its governance including but not limited to: Health, Safety and Welfare; Training and Development; and Rewards, Compensation and Benefits.

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

#### **B.3.1. Health, Safety and Welfare**

##### ***Foster the health and well-being of our people***

Worker safety and well-being are of utmost importance to the Company. To support the physical and mental health of our employees, the Company continued to improve its office spaces and included areas where people can work, eat, and relax. To provide a space that caters to new workplace realities, workspace renovations took place. Aside from this, to strengthen the culture of well-being, monthly webinars were conducted on diverse topics from subject matter experts. To check the health of employees, an Annual Physical Examination was likewise made available.

##### ***Pulsed our needs through employee listening and targeted our actions via analytics***

The Company kept abreast of its people's needs through employee listening initiatives. Through seamless surveys and clear analytics dashboards, targeted action planning that drives employee engagement is ensured.

##### ***Improved employee services via digitalization***

Through the Company's internal Employee Service Portal, access to efficient employee services on an online platform was made possible. To provide a delightful employee experience, the Company's business units continued to utilize the Darwinbox human resource management platform with modules in Recruitment, Performance, Career Development, and more. Implementation of the Darwinbox platform was also expanded to more business units.

##### ***Embraced the hybrid environment to engage and recognition of its people***

Connections were built through groupwide and localized engagement and recognition initiatives. Likewise, employees adapted by socializing their values and culture through hybrid events that were accessible to both onsite and online participants, resulting in better choices for the Company's people.



### ***Great Place to Work***

The Company has achieved a milestone through securing a Great Place to Work certification last year.

### ***“Be A Hero” Campaign***

In 2023, the culture team of the Company’s Corporate Human Resources Group strengthened the Company Purpose, Values, and Ambition (“PVA”) awareness through online and onsite activations, as discussed in “[Employee Growth and Well-Being](#)” of this **Sustainability Report**.

### ***Blood Donation Drive with Philippine Red Cross***

As part of the OSH initiatives pursuant to the Company’ advocacy to provide impactful ways for individuals to make a positive difference in the lives of others and contribute to the overall health and well-being of the community, an onsite blood donation drive in partnership with the Philippine Red Cross was held in 2023.

### ***Pride in Performance Awards***

At last year’s annual Pride in Performance (“PIP”) Awards, teams that exemplify JGSHI's PVA in their endeavors were recognized and celebrated. The 13<sup>th</sup> edition of the PIP Awards had “The Great Big Leap” as its theme, highlighting the outstanding projects and initiatives from the past year that significantly contributed to the group's success, positively influencing stakeholders and the numerous customers it serves. The PIP Awards is discussed in more detail in the “**People & Culture**” tab of the “**Stories**” page of the Company website at <https://www.jgsummit.com.ph/people-culture/the-gokongwei-group-s-13th-pip-awards-celebrating-purpose-values-ambition-20230912-lfrm3>

## **B.3.2 Performance-enhancing mechanisms for employee participation**

### ***Rewards policy that accounts the company's performance in the long-term***

The Company firmly believes that good governance is the cornerstone of sustainable success. As JGSHI strives to attain excellence in corporate governance, the crucial role that rewards programs play in aligning the interests of our employees and stakeholders with the long-term goals of the company is recognized. The Company’s commitment to fostering a culture of accountability, transparency, and ethical behavior is reflected in the design and implementation of our rewards programs, which effectively account for the company's performance in the long term.

### ***Performance-Based Compensation***

The Company’s rewards programs are structured to emphasize performance-based compensation, ensuring that the financial incentives provided to employees are directly linked to the Company's long-term success. JGSHI has implemented a comprehensive system that combines individual and team performance metrics with strategic objectives, enabling the Company to reward employees based on their contributions towards sustainable growth.

### ***Balanced Scorecard Approach***

To account for the Company's performance holistically, the Corporate Human Resources Group has adopted a balanced scorecard approach in our rewards programs. Beyond financial metrics, a wide range of key performance indicators (“KPIs”) that align with its long-term strategy, including customer satisfaction, innovation, employee engagement, social responsibility, and environmental sustainability is considered. This approach helps foster a well-rounded performance evaluation and rewards system, where employees are incentivized to contribute to the Company's overall success across multiple dimensions.

### ***Performance Assessment and Goal Setting***

The Company's rewards programs go beyond annual performance evaluations. JGSHI engages in regular performance assessments, allowing the Company to review progress towards long-term goals and make necessary adjustments. Through this process, employees are provided with constructive feedback, and new targets, reinforcing the commitment to continuous improvement and long-term success, are set.

### ***Transparent Communication***

Transparency is a fundamental aspect of the Company's good governance, and open communication throughout rewards programs is prioritized. Employees are provided with clear guidelines and expectations regarding their performance assessments, rewards criteria, and the Company's long-term objectives. Regular communication channels are established to share updates on progress and reinforce the link between performance and rewards, fostering a culture of trust and accountability.

At JGSHI, rewards programs are designed to account for the Company's performance in the long term through salary adjustments and merit increases, reflecting its commitment to good governance and sustainable success. By embracing performance-based compensation, adopting a balanced scorecard approach, engaging in regular performance assessments, and promoting transparent communication, rewards programs effectively align the interests of our employees and stakeholders with the long-term goals of the Company. Through these efforts, JGSHI demonstrates its dedication to fostering a culture of accountability, transparency, and ethical behavior, which underpins our pursuit of excellence in corporate governance.

### **B.3.3. Employee Trainings**

The Corporate Human Resources Group of the Company conducts various trainings for its key officers and employees, as follows:

1. **Leaders' Conferences** - strengthens enablement of skills for CHRO, CRO and OCFRO functions held in March, June and July, 2023, respectively
2. **Executive Development Program** – catered to over 150 graduates, such as i.) Executive Development Program: EVOLVE (35 leaders); ii.) Executive Development Program: ADVANCE (35 leaders); iii.) Executive Development Program: INSPIRE (35-47 leaders); and iv.) Executive Development Program: Executive Coaching (20 leaders)

3. **Individual Development Plan** - With a KPI of 75%, CCU adoption exceeded this target at 81% compliance and 210 employees who submitted their IDPs.
4. **Craft Café** - provided for opportunities for people's continuous growth and development were identified for more focused efforts, a total of 4 Craft Café learning sessions were introduced as pilot courses for 2023, which garnered a 4.5 average rating with a total of 53 attendees.
5. **LinkedIn Learning** - ensure continuity and reinforcement of leadership learning via the online platform that can also help support self-directed learning.

#### **B.3.4. Creditors**

The Company honors its contracted obligations and ensures the protection of creditors' rights. The policy is posted on its website under the Governance section.

#### **B.3.5. Communities**

The Company conducts various projects for its communities discussed in "[Our Signature Initiatives](#)" and "[Shared Success](#)" of this **Sustainability Report**.

## **VI. Enterprise Risk Management and Internal Controls**

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

### **Risk Governance**

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



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

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

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

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

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

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

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

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

### Risk Management Process

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

### Risk Identification, Assessment, and Prioritization

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

**Strategic Risk** – Concerns events that could affect the outcome of strategic decisions, such as mergers and acquisitions, key investments, resource allocations, and new business ventures.

**Reputational Risk** – Refers to anything that could impact the company's brand value, public perception and stakeholder relationships.

**Governance Risk** – Pertains to risks related to implementation of and adherence to policies and procedures and ethical practices within the organization.

**Emerging Risk** – Refers to new or developing risks that the company has little to no experience in.

**Climate Risk** – refers to potential physical risks that may arise from climatic events or business risks arising from regulatory efforts or changing stakeholder expectations associated with the shift towards a carbon-neutral economy.

**Operational Risk** – Relates to factors that could potentially disrupt routine business activities or impair property, infrastructure, and security.

**IT and Digitalization Risk** – Risk of business disruption which may be caused by hardware or software failure, cyberattacks, unauthorized access to company information, and the like, or lost opportunities associated with lack of innovation or investments in technology.

**People Risk** – Refers to factors and events that could compromise the wellbeing, productivity, and performance of our employees.

**Financial Risk** – Refers to matters that could affect the financial position or performance of the company such as credit, liquidity and foreign currency risks.

**Legal and Compliance Risk** – Includes risks related to compliance to rules and regulations, adaption to changing political landscapes and new government pronouncements, as well as exposures that could arise from contractual obligations, anti-competition and monopolization concerns, and legal disputes against the company.

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

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

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

## Risk Response, Monitoring, and Evaluation

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

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

Given the dynamic nature of risks, the entire risk management is an iterative process at the functional units of our operating companies and at the Group level.

## Risk Disclosures

The group's risk register undergoes a periodic review to ensure that it captures the relevant risks that can potentially affect the business. Risks that are rated high are deliberated by the Risk Council as to their potential impact to the various aspect of the business, taking into consideration existing controls and mitigation measures, as well as, the Group's risk appetite and perceived vulnerabilities. The following are considered the top risks for the Group:

Rank	Risk	Category	Impact Areas						Risk Rating
			Strategy	People	Operations	Financial	Reputation	Compliance	
1	<b>Cybersecurity</b>	<i>IT and Digitalization</i>	Major	Major	Extreme	Major	Major	Major	Very High
2	<b>Tax-related legal cases</b>	<i>Legal and Compliance</i>	Major	Moderate	Major	Extreme	Major	Major	Very High
3	<b>Interest rate/ forex risk</b>	<i>Financial</i>	Major	Moderate	Major	Extreme	Moderate	Major	High
4	<b>Climate-related physical and transition risks</b>	<i>Climate</i>	Major	Major	Major	Major	Major	Major	High
5	<b>Regulatory compliance</b>	<i>Legal and Compliance</i>	Major	Major	Extreme	Major	Major	Extreme	High
6	<b>Talent development and retention</b>	<i>People</i>	Moderate	Extreme	Major	Major	Moderate	Moderate	High
7	<b>Product safety, quality, and process management</b>	<i>Operational</i>	Moderate	Major	Extreme	Major	Major	Major	High
8	<b>Material cost and availability</b>	<i>Operational</i>	Major	Moderate	Extreme	Extreme	Major	Major	High
9	<b>Capital allocation</b>	<i>Strategic</i>	Extreme	Moderate	Major	Extreme	Major	Moderate	High
10	<b>Geopolitical tensions</b>	<i>Emerging</i>	Extreme	Major	Extreme	Major	Moderate	Moderate	High

IMPACT RATING: ● Extreme ● Major ● Moderate ● Minor to Insignificant

The Group considers **cybersecurity** as its top risk, under IT and Digitalization, due to the severity of its potential impact to the Group's operations. The consequences related to this risk include possible loss of information, disruptions in business operations, increased cost of added security or disaster recovery, and potential loss of credibility and damage to brand and company image. This risk could also lead to significant regulatory violations. Data breaches could compromise the Company's sensitive or confidential information, and even jeopardize individuals' safety and security, in case of personal data leaks. We are actively mitigating this risk as we continue to strengthen our security posture with pragmatic and holistic solutions to proactively identify, protect, detect, respond and recover, as well as improve our system and data access controls. Actual cybersecurity incidents and their impact are investigated, resolved and reported to the business unit management and Data Privacy Officer, in case of data security breaches.

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

Our main Financial risks are related to **interest rate increases** and **foreign exchange volatility**, which could significantly impact our Group's financial performance. Possible effects include higher cost of debt, lower returns from financial investments and margin compression from higher input costs. To counter this financial risk, our Group manages and maintains a good balance of foreign-denominated financial assets, local currency borrowings, risk-appropriate instruments, while strengthening both our onshore and offshore banking relationships.

**Climate-related risk** is considered one of the most relevant risks for the Group. The inability to mitigate or address the impact of climate-related and extreme weather events could result in damage to facilities, obsolescence or loss of assets, disruptions in the Group's supply chain and operations, as well as, endanger people and the ecosystem. Enhancing infrastructure resilience against extreme weather events and adapting to changing conditions could require significant financial and capital investments. Regulatory changes related to climate change, such as carbon pricing, emissions caps, and extended producer responsibility, may also affect the Group operationally and financially by escalating compliance costs.

This year we embarked on a project to gain better understanding of science-based climate risks information from the best available climate models to understand how our facilities and value chains can get impacted under different climate scenarios. See "[Climate Disclosure Report](#)" portion of this **Sustainability Report**.

On People risk, **talent development** and **retention** remain to be crucial in the face of intense competition for key talents, especially for those with digital aptitude. High attrition could result in business disruptions, compromised service quality and increased cost of talent



acquisition and training. In order to address these risks, we continually upgrade our talent acquisition strategies, conduct wages and benefits benchmarking, and employ data insights and advanced analytics in developing HR programs for employees' professional growth and development.

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

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

Our Company continues to work towards ensuring that employees are healthy and safe because we understand the consequences to life and property if this is not addressed properly. Noncompliance with health and safety standards and regulations could also cost the Company penalties from regulators, suspension of operations, attrition, and damage to reputation.

**Product safety, quality, and equipment and process management** concerns are among the Group's top operational risks, along with risks of **increasing material costs and availability**. Rising raw material costs could negatively impact margins, while unreliability of raw materials supply could result in operational disruptions and loss of sales. The quality of our products and services, on the other hand, influences our relationship with our customers and their perception of the company. We are, however, always on top of these risks as we ensure that proper operations management and product quality management systems are in place, and there is diversity in raw materials sourcing and adequate insurance coverage for facilities, assets, and people. We have a supplier accreditation system in place to ensure continuous supply of quality goods and services by reputable and reliable suppliers who are compliant with applicable government rules and regulations like environmental, labor, health and safety, etc. To the extent possible, the Company promotes inclusive business in its value chain by getting supplies from farmers and cooperatives to provide employment and revenues to low-income communities.

By recognizing the potential for material scarcity, our Company is taking steps to reduce its reliance on non-renewable materials and adopt sustainable sourcing practices. This can include measures such as using recycled materials, reducing material waste through better design and production processes, and sourcing materials from suppliers that follow sustainable practices. Our Company also recognizes the potential risks to human health and the environment, posed by air emissions, air pollutants, and solid waste, and is taking steps to manage them responsibly. We are implementing measures to reduce these emissions, such as improving combustion efficiency or using low-emission fuels to help mitigate these risks. Similarly, solid waste can also have negative impacts on the environment and surrounding communities, if not properly managed, such as that of plastic waste. By adopting responsible waste management practices, such as reducing waste generation through better design or recycling and treating waste, our Company can help to minimize these risks. It is also important

to address the potential for leakages in the waste management system, as these can lead to various hazards. By implementing measures to prevent and detect leaks, such as regular maintenance and monitoring, our Company can reduce the likelihood of these hazards occurring and protect the environment and surrounding communities.

Our top Strategic risk cover areas of **capital allocation**, business performance and competition. This relates to how our long-term portfolio investment decisions based on available information may yield lower-than-expected returns. Correspondingly, the perceived exposure of the Group to industry disruptions, market volatilities, geopolitical risks and ESG risks may affect stakeholder value. These risks could affect the Company's market capitalization, or pose an unfavorable view in the Group's value creation, and limit growth prospects. Our risk responses include conducting sector analysis in relation to customer trends, incorporating risk management in implementing the OGSM process in our businesses, regular review of capital allocation decisions and analysis on the potential impact on the parent company's risk-return profile, and effective communication of our business performance, as well as sustainability practices and initiatives.

For Emerging risks, we consider **geopolitical tensions** as one of our risks with the continuing conflict in the global order causing economic volatility and severely affecting the international commerce and flow of goods and labor. Potential impact to the Company includes difficulty in sourcing raw materials, decreased profits due to higher input costs, and reduced growth prospects. We incorporate geopolitical risk analysis and strategic foresight planning in market and transaction evaluation to reduce the impact of this risk. Furthermore, the Group is also assessing the impact of **disruptive technology**, such as Generative AI, in business operations. The possible implications include reduced competitive advantage from inability to capitalize on emerging technologies, and increased cost of equipping the organization to adapt to changing business landscape. We are working on developing Gen AI policies and setting up a governance committee to establish comprehensive risk management protocols and foster ethical and strategic use of Gen AI to enhance business processes, products and services.

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

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

JGSHI also recognizes that unresolved customer complaints, especially when these reach digital platforms, may influence wider customer perception of the quality of our products and services. Issues surrounding product safety and quality, customer privacy and advertising, if remained unresolved, could lead to a decrease in customer satisfaction. Unmet customer satisfaction could result in a decline in sales, and eventual loss of market share. To ensure better customer experience, we strive to continuously improve our customer care platforms in terms of accessibility and responsiveness to achieve quicker resolution of customer concerns.

Our **Governance risk** relates to compliance with company policies and processes. Unintended or intentional breaches of company policies and ethical standards may result in operational inefficiencies, significant financial losses, loss of stakeholder trust, or reputational damage. Additionally, issues on corruption could compromise the Company's ability to equitably distribute economic value to the right stakeholders. We address this by strengthening our internal control measures and functions. We also reinforce good corporate governance practices and regularly conduct training on code of business conduct and ethics. Our Company has anti-corruption policies and procedures in place such as a code of conduct that prohibits corrupt practices, and a reporting mechanism for whistleblowers to report any suspected corruption.

## **Internal Controls**

To further advocate the Company's commitment in the pursuit of good governance and achieving compliance with applicable laws and Company policies and procedures, the Company ensures to strengthen the Enterprise Governance, Risk Management and Compliance (GRC) Culture and maintain a strong system of internal controls focused on accountability and oversight of operations. With the leadership of the Company's CFRO, internal control is embedded in the operations of the company and in each Business Unit (BU) and Corporate Center Unit (CCU). To accomplish the established goals and objectives, the BUs and CCUs implement robust and efficient process controls to ensure: i.) Compliance with policies, procedures, laws and regulations; ii.) Economic and efficient use of resources; iii.) Check and balance and proper segregation of duties; iv.) Identification and remediation control weaknesses; v.) Reliability and integrity of information; and vi.) Proper safeguarding of company resources and protection of company assets through early detection and prevention of fraud.

## **Accountability and Audit**

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

The Board also appointed, **Rya Aissa S. Agustin**, as the Chief Audit Executive upon the recommendation of the AURROC to perform Internal Audit function, pursuant to the RCGM.

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

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

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

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

The annual **Statement of Internal Controls and Compliance System Attestation for 2023**, signed by the Chief Audit Executive, Chief Finance and Risk Officer, and President and Chief Executive Officer, attesting that the Corporation’s internal controls, risk management and compliance system, and governance practices are adequate, was reported in AURROC and to the Board. This is in accordance with the Board’s function to annually review the internal control system and risk management framework of the Company. The 2023 Statement of Internal Controls and Compliance System Attestation is available at the “**Internal Controls**” portion of the “**Shareholders**” tab of the “**Corporate Governance**” page of the Company website at <https://www.jgsummit.com.ph/corporate-governance/internal-controls>.

To view the Company’s **Internal Audit Charter**, please visit the link below:

<https://www.jgsummit.com.ph/docs/2023/05/Signed%20Internal%20Audit%20Charter.pdf>

## OTHER MATTERS

Name of Auditor	Audit and Audit-Related Fees	Yr. 2023
SyCip, Gorres, Velayo & Co.	Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	Php 4,780,000.00

## **Company Website**

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

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

### Economic Performance

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

Disclosure	2021	2022		2023	
		(per 17A)	(including RBank)	(per 17A)	(including RBank)
Direct economic value generated (revenue)	231,647	303,614	314,116	345,919	358,865
Direct economic value distributed	236,974	308,725	317,009	324,319	336,200
Payment to employees (Employee wages and benefits)	24,828	27,558	29,672	32,671	35,051
Payments to suppliers, other operating costs	188,344	252,619	257,795	259,035	267,219
Payment to Providers of Capital	16,662	19,811	19,811	24,590	24,590
Payment to Government	7,121	8,726	9,718	8,015	9,331
Community Investments Donations & Distributions	19	11	12	8	8
Direct Economic Value Retained	5,327	(5,111)	(2,893)	21,600	22,665

#### Note:

1. The amounts reflected herein are taken from the Company's audited financial statements for the year. Certain items in direct economic value distributed such as dividends given to stockholders are sourced from the previous 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.
2. Philippine Financial Reporting Standards (PFRS) 5, Noncurrent Assets Held for Sale and Discontinued Operations, requires income and expenses from disposal groups to be presented separately from continuing operations, down to the level of profit after taxes. Robinsons Bank, in relation to its planned merger with BPI, qualifies as a disposal group held for sale and as such, Robinsons Bank's revenues, expenses and taxes for the year will be presented as a single line item in the consolidated income statement per 17A report called "Net income from discontinued operations".

For purposes of the sustainability report, references should be made to the total JGSHI consolidated balances including Robinsons Bank.

## Procurement Practices

### Proportion of spending on local suppliers

Disclosure	Unit	2021	2022	2023
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers <sup>4</sup>	%	48 (URC & JGSOC) 77.17 (CEB)	61 (URC) 15 (JGSOC) 62 (CEB)	55 (URC) <sup>5</sup> 11 (JGSOC) 62 (CEB)

## Environmental Performance

### Energy consumption within the organization

Disclosure	Unit	2021	2022	2023	2023 Boundaries <sup>6</sup>
Total Energy Consumption	GJ	18,110,988	29,658,971	36,907,400	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Total Renewable Energy Consumption	GJ	994,964	1,668,296	2,086,356	URC, RLC, JGSOC, CEB
Renewable Energy Generated (Solar and Biomass)	GJ	994,964	822,408	1,064,918	URC, RLC, JGSOC
Renewable Energy from the Grid	GJ	-	845,888	1,020,215	URC, RLC
Sustainable Aviation Fuel -SAF	GJ	-	-	1,222	CEB
Total Non-renewable Energy Consumption <sup>7</sup>	GJ	17,116,024	27,990,674	34,821,044	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Gasoline	GJ	22,690	28,753	39,542	URC, RLC, CEB, JGSOC, RBank
LPG	GJ	641,293	680,856	668,311	URC, RLC, JGSOC

<sup>4</sup> JGSHI is still in the process of consolidating this data from all subsidiaries

<sup>5</sup> URC data covers BCF-PH and BCF-INT which composed of direct materials (raw material and packaging material) only

<sup>6</sup> Data covers information of total URC (BCF-PH, BCF-INT, Flour, SURE, AIG, head offices, and external distribution centers in the Philippines)

<sup>7</sup> Includes fossil fuel used from operations and company-owned vehicles

Disclosure	Unit	2021	2022	2023	2023 Boundaries <sup>6</sup>
Diesel	GJ	465,508	751,290	632,908	URC, RLC, CEB, JGSOC, RBank
Bunker	GJ	4,510,572	4,286,595	3,260,924	URC, JGSOC
Coal	GJ	2,659,573	2,839,396	2,876,263	URC
CNG	GJ	316,239	385,683	356,211	
LNG	GJ	104,037	106,268	169,254	
Jet fuel	GJ	5,850,320	15,700,919	23,670,702	CEB
Grid Electricity	GJ	2,545,792	3,210,914	3,146,930	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Energy Intensity	GJ/MPhp	78.18	94.42	102.84	

#### GHG Emissions

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Total GHG Emissions	tCO <sub>2</sub> e	1,769,054	2,615,183	2,585,360	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Gross Direct (Scope 1) GHG Emissions	tCO <sub>2</sub> e	1,479,011	2,114,530	2,171,880	
Gross Energy Indirect (Scope 2) GHG Emissions	tCO <sub>2</sub> e	290,042	391,600	302,488	
Gross Other Indirect (Scope 3) GHG Emissions	tCO <sub>2</sub> e	-	109,053	110,991	RLC
GHG emissions intensity	tCO <sub>2</sub> e/MPhp	7.64	8.32	7.20	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
ODS	tonnes	26.69	23.48	24.39	URC, RLC

#### Air pollutants

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Nitrogen Oxides (NO <sub>x</sub> )	tonnes	464.65	1,438.93	2,019.41	URC, RLC, CEB, JGSOC
Sulfur Oxides (SO <sub>x</sub> )	tonnes	216.80	418.54	272.98	
Persistent organic pollutants (POP)	tonnes	-	-	-	No available data



Disclosure	Unit	2021	2022	2023	2023 Boundaries
Volatile organic pollutants (VOC)	tonnes	-	-	-	URC, RLC, JGSOC
Hazardous Air Pollutants (HAP)	tonnes	-	-	-	
Particulate Matter (PM)	tonnes	28.63	365.65	158.63	

Note:

1. All stationary, mobile, and vehicular equipment of JGSHI subsidiaries undergo mandatory emission testing as required by DENR and Land Transportation Office (LTO).
2. URC data covers information from air pollution sources equipment (APSE) specifically from the boilers of BCF-PH with air emission test results in 2023 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.
3. JGSOC based on average values of 2023 external laboratory testing.

## Water consumption within the organization

### Total Water Withdrawal from all areas by source

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Total Water Withdrawal	cum	27,787,228	26,534,593	26,158,218	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Third-Party Water	cum	-	8,295,525	8,489,120	
Ground Water	cum	-	10,719,582	10,629,357	URC, RLC, JGSOC
Surface Water	cum	-	4,974,552	5,426,496	URC
Sea Water	cum	-	2,544,934	1,613,245	JGSOC
Water discharge	cum	6,984,030	7,578,379	9,113,680	URC, RLC, CEB, JGSOC, RBank
Water consumption	cum	20,803,198	18,956,215	17,044,537	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Water Intensity	cum/MPhp	-	-	72.89	
Water recycled and reused	cum	1,167,351	1,084,659	1,207,273	URC, RLC, CEB, JGSOC
% of wastewater recycled	%	17.00	14.32	13.28	

## Materials used by weight or volume

### Material used by the organization

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Renewable Materials <sup>8</sup>	tonnes	2,127,735	1,981,157	1,113,691	URC, RBank

<sup>8</sup> Includes coffee spent grounds, spent tea leaves, bagasse, spent wash, molasses, chicken manure, pit dung in URC, as well as, paper use in RBank

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Non-renewable Materials <sup>9</sup>	tonnes	1,150,809	767,659	693,298	URC, RLC, JGSOC
Percentage of recycled input materials used to manufacture the organization's primary products and services <sup>10</sup>	%	5.96	3.0	6.87	URC

## Waste Generation

### Solid Waste and Hazardous Waste

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Total solid waste generated	tonnes	3,158,251	2,977,125	2,495,844	URC, RLC, CEB, JGSOC, RBank
Reusable	tonnes		120	2,950	RLC, RBank
Recyclable	Tonnes		952,316	627,758	URC, RLC, CEB, JGSOC, RBank
Composted/Bio	tonnes		8,367	5,170	RLC, JGSOC, RBank
Residual	tonnes		35,196	46,020	RLC, CEB, JGSOC, RBank
Renewables	tonnes		1,981,125	1,813,946	URC
Solid Waste Intensity	tonnes/MPhp	-	-	6.95	URC, RLC, CEB, JGSOC, RBank
Total weight of hazardous waste generated	tonnes	3,149	2,683	1,797	
Total weight of hazardous waste transported	tonnes	2,890	2,477	1,468	

Note: Discrepancy from hazardous waste generated and transported are stored in the DENR -prescribed Hazwaste onsite storage waiting for schedule of transport and treatment.

### Non-compliance with Environmental Laws and Regulations

Disclosure	Unit	2023	Boundaries
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	Php	0	JGSHI-CCU

<sup>9</sup> Includes, but not limited to, construction materials such as cement, concrete, glass, and rebars from RLC, as well as URC's re-grind PET bottles reused to mix with virgin resin for bottle making of BCF-PH

<sup>10</sup> 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)

Disclosure	Unit	2023	Boundaries
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	#	0	
No. of cases resolved through dispute resolution mechanism	#	0	

## Social

### Employee Data

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Total Employees	#	21,028	23,122	24,298	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Male	#	12,615	13,597	14,227	
Female	#	8,413	9,525	10,071	
Attrition Rate	%	0.02	7.58 <sup>11</sup>	3.27 <sup>12</sup>	
			10.5 <sup>13</sup>		
Ratio of lowest paid employee against minimum wage	Ratio	1:1	1:1	1:1 <sup>14</sup>	

### Employees by Age Group

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Gen Z (26 and below)	#	2,837	2,108	4,462	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Millennial (27-41)	#	10,838	5,880	13,598	
Gen X (42-56)	#	4,255	1,737	5,584	
Baby Boomer (57 and up)	#	564	224	654	

<sup>11</sup> Attrition rate of CCU, RBank, CEB, RLC, JGSOC

<sup>12</sup> Attrition rate is calculated using SEC formula: Attrition rate = (No. of new hires – No. of turnover)/ (Average of total no. of employees of previous and current year)

<sup>13</sup> Attrition rate of URC

<sup>14</sup> The ratio is based on the comparison between the wage of the lowest paid employee (base fare) and the minimum wage on the specific region. JGSHI is compliant with the minimum wage requirement

Employees by Contract Type

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Regular	#	18,596	7,926	21,248	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Consultant, FTE and Project Based	#	1,066	154	1,188	
Probationary	#	1,366	1,869	1,862	

Employees by Length of Tenure

Disclosure	Unit	2021	2022	2023	2023 Boundaries
< 1 years	#	1,973	3,301	4,275	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
1-3 years	#	3,550	1,550	5,519	
3-5 years	#	2,991	1,306	2,793	
5-7 years	#	2,502	1,151	2,720	
7+ years	#	7,478	2,641	8,991	

Employees by Rank

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Executives/Senior Management	#	-	398	439	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Male	#	-	217	248	
Female	#	-	181	191	
Rank & File	#	-	4,583	12,750	
Supervisor	#	-	1,368	3,352	
Manager	#	-	2,649	3,969	
Seasonal	#	-	5	378	
Professional/Technical	#	-	946	3,410	

Employees by Place of Origin

Disclosure	Unit	2022	2023	2023 Boundaries
Local		9,884	18,875	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
National Capital Region	#	6,334	5,346	RLC, CEB, JGSOC, RBank, JGSHI-CCU
Luzon (outside NCR)	#	2,234	3,585	

Disclosure	Unit	2022	2023	2023 Boundaries
Visayas	#	993	1,561	URC, CEB, JGSOC
Mindanao	#	323	582	
International		65	5,423	
Africa	#	0	0	
America	#	2	2	
Asia	#	58	5,416	
Australia	#	0	0	
Europe	#	5	5	

#### New Hires for Permanent Employees

Disclosure	Unit	2021	2022	2023	2023 Boundaries
New Employee Hires	#	2,554	3,652	4,602	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Male	#	-	1,617	2,035	
Female	#	-	2,035	2,567	

#### New Hires by Age Group

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Gen Z (26 and below)	#	-	1,460	2,003	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Millennial (27-41)	#	-	1,897	2,139	
Gen X (42-56)	#	-	281	395	
Baby Boomer (57 and up)	#	-	14	65	

#### New Hires by Contract Type

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Permanent or indefinite	#	742	3,474	4,042	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Temporary or fixed term	#	518	178	560	

### New Hires by Place of Origin

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Local	#	-	3,647	4,026	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
National Capital Region	#	-	2,410	2,345	
Luzon (outside NCR)	#	-	600	986	
Visayas	#	-	540	533	
Mindanao	#	-	97	162	
International	#	-	5	660	
Africa	#	-	0	0	
America	#	-	0	2	
Asia	#	-	5	651	
Australia	#	-	0	3	
Europe	#	-	0	4	

### Turnover for Permanent Employees

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Employee Turnover	#	2,112	1,979	3,826	URC <sup>15</sup> , RLC, CEB, JGSOC, RBank, JGSHI-CCU
Male	#	-	873	1,689	
Female	#	-	1,106	1,500	

### Employee Turnover by Age Group

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Gen Z (26 and below)	#	-	445	846	URC <sup>16</sup> , RLC, CEB, JGSOC, RBank, JGSHI-CCU
Millennial (27-41)	#	-	1,328	1,920	
Gen X (42-56)	#	-	157	327	
Baby Boomer (57 and up)	#	-	49	96	

<sup>15</sup> URC's breakdown of turnover by gender pertains solely to voluntary departures.

<sup>16</sup> URC's breakdown of turnover by age group pertains solely to voluntary departures.

### Employee Turnover by Rank

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Executives/Senior Management	#	-	48	41	URC <sup>17</sup> , RLC, CEB, JGSOC, RBank, JGSHI- CCU
Middle managers and supervisors	#	-	671	1009	
Rank-and-file permanent	#	-	1,051	1,497	
Professional/Technical	#	-	209	642	

### Employee Turnover by Type

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Voluntary	#	1,064	1,852	2,887	URC <sup>18</sup> , RLC, CEB, JGSOC, RBank, JGSHI-CCU
Involuntary	#	147	126	939	

### Diversity and Equal Opportunity

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Percent of male workers in the workforce	%	60	59	59	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Percent of female workers in the workforce	%	40	41	41	
Number of employees from indigenous communities and/or vulnerable sector <sup>19</sup>	#	99	30	0	

<sup>17</sup> URC's breakdown of turnover by rank pertains solely to voluntary departures

<sup>18</sup> URC's breakdown of turnover by type pertains solely to voluntary departures

<sup>19</sup> Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

## 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 male employees who availed for the year	% of female employees who availed for the year	Boundaries
SSS				JGSHI-CCU <sup>20</sup>
1. Salary Loan	Y	3.76%	7.03%	
2. Parental Benefit		0%	2.16%	
3. Sickness Benefit		0.75%	0.54%	
PhilHealth	Y	3.01%	7.03%	
Pag-ibig Salary loan	Y	3.76%	5.41%	
Parental leaves	Y	0%	0%	
Vacation leaves	Y	42.86%	47.57%	
Sick leaves	Y	23.31%	27.03%	
Emergency leaves	Y	0%	0%	
Medical benefits (aside from PhilHealth): HMO	Y	100%	100%	
Housing assistance (aside from Pag-ibig)	Y	0%	0%	
Retirement fund (aside from SSS)	Y	0%	0%	
Further education support	Y	0.75%	4.86%	
Company stock options	Y	0%	0%	
Telecommuting	Y	89.47%	85.95%	
Flexible-working Hours	Y	89.47%	85.95%	
Others:				
1. Rice Subsidy				
2. Medicine Allowance	Y	100%	100%	
3. Uniform Allowance				
4. Other Employee Perks and Partnerships				

<sup>20</sup> Benefits not mandated by the government are specifically allocated by the business units based on what is most suitable to their industry and their employees' needs. While JGSHI ensures that 100% of eligible employees are given government-mandated and company benefits.



## Employee Training and Development

### Training hours provided to employees

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Total training hours provided to employees	hours	439,641	391,377	476,651.61	URC, RLC, CEB, JGSOC, JGSHI-CCU
Male	hours	81,840	71,576	80,649.43	RLC, CEB, JGSOC, JGSHI-CCU
Female	hours	81,255	78,082	38,295.85	
Average training hours per employee	hours/employee	20.91	16.93	21.34	URC, RLC, CEB, JGSOC, JGSHI-CCU
Male	hours/employee	6.49	15.42	18.10	RLC, CEB, JGSOC, JGSHI-CCU
Female	hours/employee	9.66	14.71	8.14	

### Labor Management Relations

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Percentage of employees covered with Collective Bargaining Agreements	%	24.42	11.03	20.15%	URC, RLC, CEB, JGSOC, JGSHI-CCU
Number of consultations conducted with employees concerning employee-related policies	#	1,019	16	5	

### Labor Laws and Human Rights

Disclosure	Unit	2023
Number of legal actions or employee grievances involving forced or child labor	#	0

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

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	The Company adopts and complies with the rules and regulations issued by the Department of Labor and Employment. Moreover, the Company ensures that engaged Service Providers comply with the same.

Topic	Y/N	If Yes, cite reference in the company policy
Child labor	Y	The Company adopts and complies with the rules and regulations issued by the Department of Labor and Employment. Moreover, the Company ensures that engaged Service Providers comply with the same.
Human Rights	Y	<ul style="list-style-type: none"> <li>▪ Policy on Sexual Harassment</li> <li>▪ Policy on Health, Safety and Welfare (Protection of Company Employees, Creditors and other Stakeholders' Rights)</li> <li>▪ Corporate Environment, Health and Safety Policy</li> <li>▪ Drug-Free Workplace Policy</li> <li>▪ Workplace Policy on Prevention Control of HIV and AIDS, Hepatitis B and Tuberculosis</li> <li>▪ Mental Health and Wellness in the workplace policy</li> <li>▪ Safety and Health Measures for workers who by nature of their work needs to stand up at work policy</li> <li>▪ Personal Protective Equipment Policy</li> <li>▪ Contractor Environment, Health and Safety requirements</li> <li>▪ Prevention and Control of Cancer in the Workplace Policy</li> <li>▪ Workplace Lactation Policy</li> <li>▪ Special Benefits for Women/Magna Carta for Women</li> <li>▪ Leave Benefits Policy (includes Expanded Maternity Leave, Solo Parent Leave, Vacation Leave, Sick Leave, Service Incentive Leave, Nuptial Leave, Emergency Leave, Bereavement Leave)</li> <li>▪ Whistleblowing Policy</li> <li>▪ Data Privacy Policy</li> <li>▪ Flexible Work Arrangement Policy</li> <li>▪ Work-From-Home Program</li> <li>▪ Mental Health and Wellness Policy</li> <li>▪ Retirement and Separation Benefits Policy</li> <li>▪ Hazard Pay Policy</li> <li>▪ Covid Protect Vaccination Policy</li> <li>▪ Information Security and Management Services Policies</li> </ul>

## Occupational Health and Safety

Disclosure	Unit	Quantity	Boundaries
Safe Man-Hours	hours	108,227,225.93	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
Number of safety drills conducted	#	446	
Number of work-related injuries	#	149	
Number of work-related fatalities	#	4	
Number of work-related ill-health	#	3	
Number of Lost Time Incidents (LTI)	#	49	
Number of Days lost due to LTI	#	191	
Number of First Aid Incidents	#	74	
Number of Medical Treatment Incidents	#	27	
All Injury Frequency Rate (AIFR)	rate	0.32	

## Governance

### Anti-corruption

#### Training on Anti-corruption Policies and Procedures

Disclosure	Unit	Value	Boundaries
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	%	100	This total accounts for employees in JGSHI to whom the Code of Business Conduct have been communicated to
Percentage of business partners to whom the organization's anticorruption policies and procedures have been communicated to	%	100	This total accounts for suppliers in JGSHI to whom the Code of Business Conduct, the Code of Discipline, and related Offenses Subject to Disciplinary Actions (OSDA) have been communicated to during the onboarding and orientation processes only. Primarily, such offenses are covered by the DOs and Don'ts in transacting and doing business with the business.

Disclosure	Unit	Value	Boundaries
Number of directors and management that have received anti-corruption training	%	100	The Board of Directors took the Business Conduct and Ethics E-learning Refresher Course, which includes the Anti-Bribery and Anti-Corruption Policy <sup>21</sup>
Percentage of employees that have received anti-corruption training <sup>22</sup>	%	100	This total accounts for employees who took the Business Conduct and Ethics E-learning Refresher Course, which includes the Anti-Bribery and Anti-Corruption Policy

### Incidents of Corruption

Disclosure	Unit	Quantity	2023 Boundaries
Number of incidents in which directors were removed or disciplined for corruption	#	0	URC, RLC, CEB, JGSOC, RBank, JGSHI-CCU
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	

### Customer Management

#### Data Security

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

<sup>21</sup> The company created an e-learning refresher course on the Code of Business Conduct, which discussed in detail the definition of corruption, the laws, rules and regulations covering the said topic, Anti-Bribery and Anti-Corruption Policy, Conflict of Interest Policy, among other corporate governance policies.

<sup>22</sup> All RBank employees are required to take the Anti-Money Laundering Act training annually. URC will also roll-out an E-Module of the Code of Business Conduct where URC employees shall be asked to watch and take the exam to gauge comprehension and retention of the Company policies and guidelines. The Anti-Corruption policies and programs are made available online for all employees for their easy access, reference and guidance.

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

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

The ISMS consists of the following:

1. **Core Information Security Policies** drive the primary objectives of the ISMS: establish, maintain, and improve information security
  - 1.1. **Information Security Policy** aims to establish, maintain, and continuously improve the ISMS to protect information assets, maintaining competitive advantage and increasing stakeholders' confidence.
  - 1.2. **Information Asset Management Policy** aims to define and classify information assets in both physical and electronic formats and provide guidance on how to appropriately handle information assets according to classification.
  - 1.3. **Information Security Incident Management Policy** aims to mandate a structured approach in managing incidents that compromise corporate information and personal data of the business units' customers.
  - 1.4. **Compliance Policy** aims to ensure that **Business Units comply** with applicable legal, regulatory requirements and contractual obligations, when conducting business activities.
2. **Organizational Policies** aim to establish Information Security organization, roles and responsibilities as well as accountability of those who have access to corporate information
  - 2.1. **Information Security Internal Organization Policy** aims to establish the appropriate internal organization that ensure security of information assets
  - 2.2. **Human Resource Security Policy** aims to protect the company's business interests by ensuring that employees and contractors understand and fulfill their roles and responsibilities to preserve information security before, during, and after employment
  - 2.3. **Supplier Relations Policy** aims to mandate controls that protect information assets exposed to suppliers and preserve the integrity of supplier selection activities

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

- 3.1. **Access Control Policy** aims to Implement adequate measures to regulate access to different information assets and facilities, ensuring that facilities and equipment are only accessed by authorized personnel
- 3.2. **Acceptable Use of Assets Policy** aims to ensure that employees understand how corporate assets should and should not be used, ensuring that the BU gets the most value out of its corporate assets and networks to avoid unintended security breaches.
- 3.3. **Physical and Environmental Security Policy** aims to protect corporate assets and information by mandating controls that prevent unauthorized physical access to company premises, as well as equipment that support business operations
- 3.4. **Mobile Device and Teleworking Policy** aims to establish rules for the use, management and security of all mobile devices that process company information and establish rules for conducting official business outside the work premises

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

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

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

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

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

Biodiversity

*Habitats Protected or Restored*

	<b>Habitats Protected</b>	<b>Area</b>	<b>Description</b>
CEB	Brgy. Tapon, Dumanjug, Cebu	Five (5) Hectares	CEB has partnered with the Ramon Aboitiz Foundation Inc. One to Tree program (RAFI OTT) to support the conservation and restoration of mangroves in Cebu. CEB and RAFI are jointly enhancing a mangrove plantation in Barangay Tapon, Dumanjug, Cebu. The 10,000 mangrove seedlings were planted across an estimated five (5) hectares of mangrove area. A people’s organization, the Tapon Fisherfolks Association were engaged for seedling production, site preparation, actual planting, maintenance, and monitoring for eight (8) quarters.
	MOU with DENR BMB for Wildlife Conservation	NA	<p>The Philippines has more than 1,000 flora and fauna listed as threatened species. It will take collective action from various stakeholders including the government, local and international non-governmental organizations, and local communities to provide innovative solutions and efforts to continue to protect and conserve wildlife for sustainability and for resilient biodiversity.</p> <p>In response to the call to action of the Department of Environment and Natural Resources (DENR) Biodiversity Management Bureau (BMB) for Wildlife Conservation, Cebu Pacific signed a Memorandum of Agreement to transport threatened wild fauna back to their natural habitat to ensure their survival. The MOA took effect on August 2022 and will be valid until August 2025</p>

	Habitats Protected	Area	Description
	Philippine Eagle Center	NA	The Philippine Eagle is a highly endangered species, with only less than 400 pairs remaining in the wild. CEB supported the Philippine Eagle Center in Davao City from 2015-2023. For almost a decade, CEB has been committed in its support for 'Mindanao', providing essential resources such as food, shelter maintenance, keeper care, and veterinary services for the facility's captive-bred eagle.
JGSOC	Wetland No. 8 in Boracay	1.8 ha (with the possibility of increasing land area)	JGSOC, in partnership with DENR-EMB, rehabilitated and restored Boracay Wetland No. 8, a 1.8-hectare (with the possibility of increasing land area) swamp and marshland located in Brgy. Manocmanoc, Boracay Island, which is home to 39 species of flora and 20 faunal species of birds, fishes, mammals, and gastropods. The initiative was launched in July 2019 and the MOA was renewed in November 2023, to restore the environmental sustainability of Wetland No. 8 and prevent further degradation of its ecosystem, espousing a private-public sector collaborative approach with the involvement of other stakeholder communities.
	Artificial reef in Batangas Bay	160 m <sup>2</sup>	The JGSOC Artificial Reef Project is located in a sandy area along the coastal zone of Barangay Simlong in Batangas City, near the JGSOC petrochemical complex. The artificial reefs function similarly to natural reefs, providing protection and habitat for a diverse range of marine life. Each artificial reef is a concrete block measuring approximately two (2) cubic feet. According to the latest monitoring survey of the faunal communities found at the sites, conducted last June 2023 by the Batangas Community Divers Seal, Inc. (BCDSI), there have been positive changes in marine biodiversity in the area, such as an increase in fish species and coral growth.
	"One Million Trees" Initiative	~600,000 seedlings (as of December 2023)	JGSOC's "One Million Trees" initiative aims to plant one million indigenous and fruit-bearing tree seedlings within ten (10) years. The key programs under this initiative are tree planting and protection and maintenance of a two-hectare mini-forest with tree nursery, located at Brgy. Pinamucan Ibaba, Batangas City. As of December 2023, there are around 600,000 seedlings



	Habitats Protected	Area	Description
			planted. The success of this initiative is made possible through partnerships with DENR, LGU, the host barangays, and with various NGOs and universities.
URC	URC-wide tree planting and nurturing activities	26,300 seedlings	URC-wide tree planting and nurturing activities were conducted across different sites identified to be with high biodiversity value.


*Operational Sites affecting Biodiversity Protected Areas*

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

	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Protected Areas affected by Operations	International Union for Conservation of Nature (IUCN) Red List Species in protected areas affected by Operation	IUCN Red List Category
		Endangered Species (Source: WWF)		

## Supplier Accreditation

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

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

### I. OBJECTIVES

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


### II. SCOPE

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

### III. RESPONSIBILITIES

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

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

	CHAPTER	PROCUREMENT
	SECTION	SUPPLIER MANAGEMENT
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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
SECTION	SUPPLIER MANAGEMENT
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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
SECTION	SUPPLIER MANAGEMENT
SUBJECT	SUPPLIER ACCREDITATION IMPLEMENTING GUIDELINES

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

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## Annex B. ISSB Climate Disclosure Index (IFRS-S2)

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	b. Management's role in assessing and managing climate-related risks and opportunities	<a href="#">III. Section b. The Executive Leadership Council manages climate risks and seizes opportunities</a>	29-30
Strategy	a. Climate-related risks and opportunities the organization has identified	<a href="#">II. Section e. Informing strategic decisions: Key climate risk adaptation measures of pilot facilities</a> <a href="#">II. Section f. Embracing climate-related Opportunities</a>	25-26
	b. Impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	<a href="#">II. Section d. Assessing climate vulnerability at pilot facilities</a>	23-25
	c. Resilience of the organization's strategy, taking into consideration different climate-related scenarios	<a href="#">II. Section g. Resilience of the Organization's Strategy</a>	27
Risk Management	a. Organization's processes for identifying and assessing climate-related risks	<a href="#">IV. Section b. Risk Identification, Assessment and Prioritization</a>	32-33
	b. Organization's processes for managing climate-related risks.	<a href="#">IV. Risk Management</a>	31-34
	c. Processes for identifying, assessing, and managing climate-related risks that are integrated into the organization's overall risk management.	<a href="#">IV. Risk Management</a>	31-34
Metrics and targets	a. Metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<a href="#">V. Section a. Metrics and Targets for Physical Risks</a>	35
	b. Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<a href="#">V. Section b. GHG Emissions Metrics and Targets</a>	35-36
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## Annex D. GRI Content Index

<b>Statement of use</b>	JG Summit Holdings, Inc. has reported the information cited in this GRI content index for the period January 1 to December 31, 2023 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>Page number or direct answer</b>
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