

# Accelerating Progress. Reshaping the Future.

2023 Annual & Sustainability Report





# About the Cover



JG Summit Holdings, Inc. has risen to brilliance and is constantly pursuing promising opportunities. We weathered economic headwinds while finding strong tailwinds that have allowed us to push the boundaries of what’s possible, turning 2023 into a year of transcendence.

## **Purpose in Motion**

We played to our strengths by developing products that provide greater value to our customers and optimizing operations across our businesses. We upgraded our customers' experiences by continuously innovating our food and beverage products, responding to accelerating travel demand, and developing world-class properties. Our petrochemicals arm also began to offer new products with the completed plant expansion project and is on its path to transformation, continuing our founder's vision for nation-building through industrialization. On the financial services front, the BPI-RBank merger has been fully consummated and is now undergoing integration. GoTyme, our digital banking star, has already hit 2 million customers at the end of 2023. The individual successes of our businesses contributed to our upward trajectory, setting the bar higher in their respective industries.

## **Leading the Way towards a Sustainable Future**

While implementing business improvements, we also pushed for a climate-resilient future. Embarking on our climate resiliency project allowed us to identify critical scenarios that would have the most financial impact on our businesses so we could prevent and better prepare. Our businesses have also made deliberate efforts towards better ESG practices, including initiatives on plastic neutrality, energy efficiency, and employee growth and well-being. These steps, aligned with sustainable development goals, help us create better choices for our customers and share success with stakeholders.

## **Transforming Tomorrow**

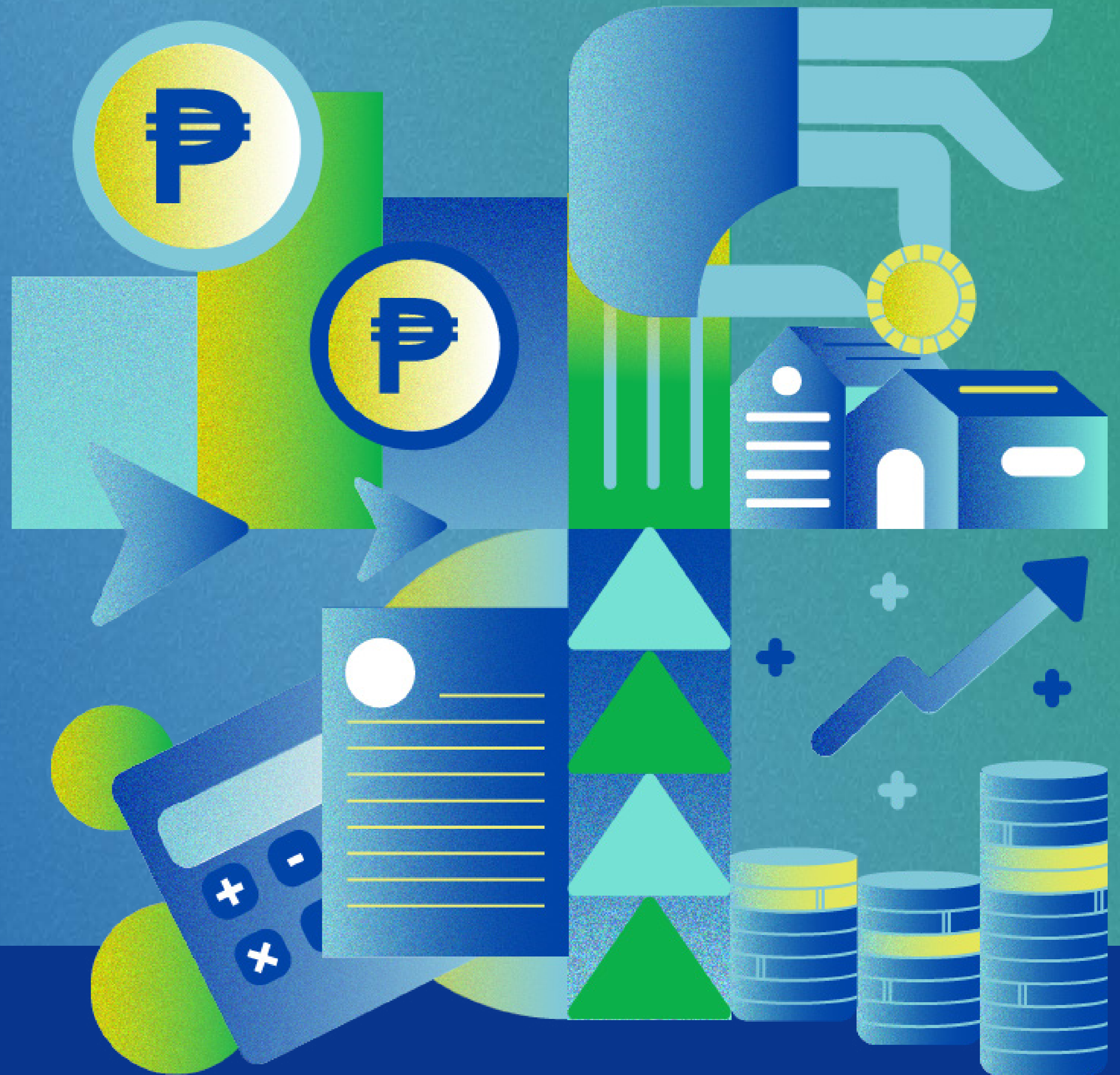
JG Summit's journey goes beyond immediate gains. The financial highs and business achievements of this year are the building blocks of a better tomorrow. Beyond surface-level success, 2023 was a collective effort that pushed us to a world where progress and purpose go side by side.

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# At a Glance





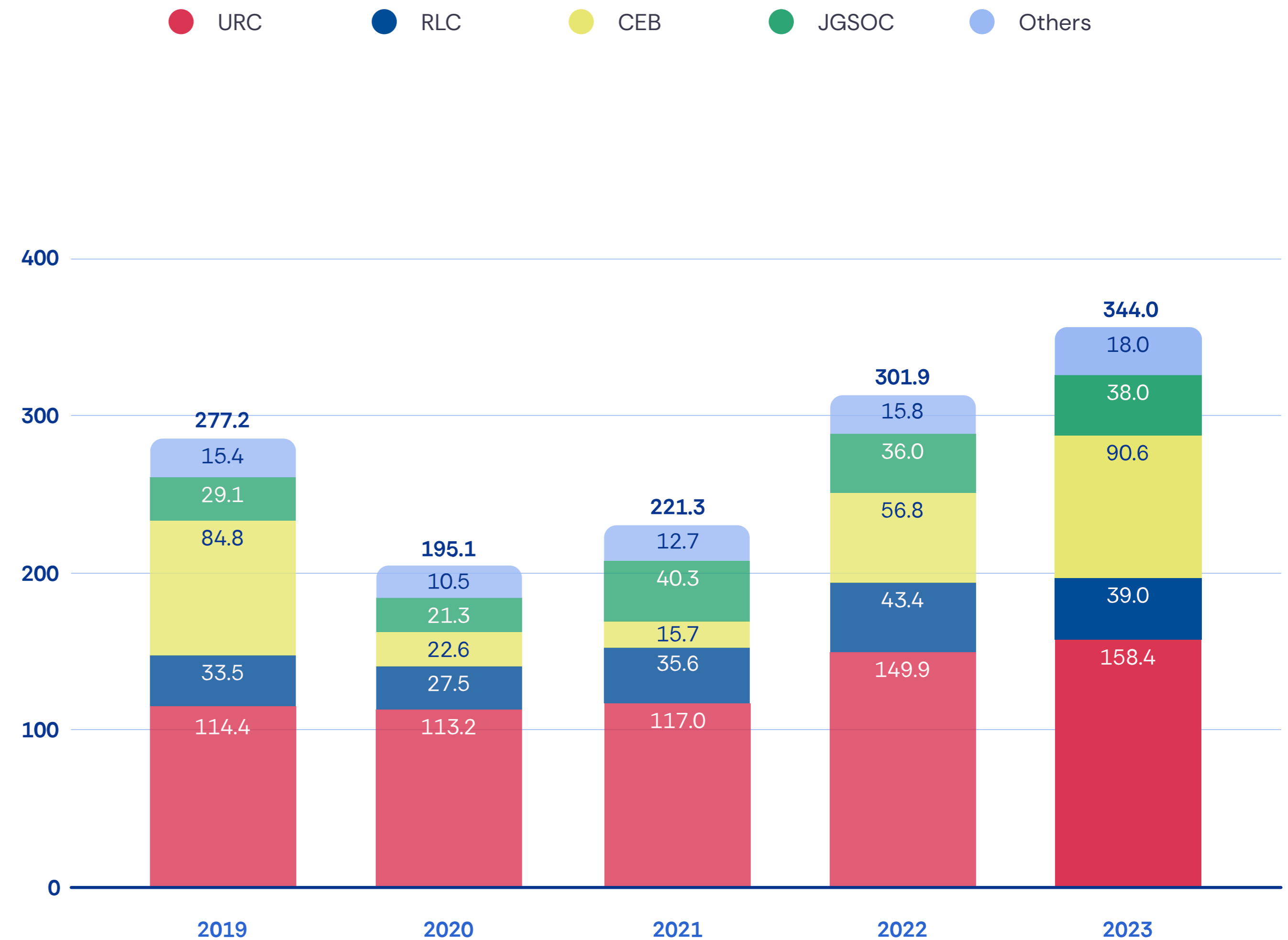
# Financial Highlights



## FY Revenue

in Php billion

Total revenues continued to grow year after year since the COVID-19 disruption. In 2023, JG Summit posted a 14% topline growth vs 2022.



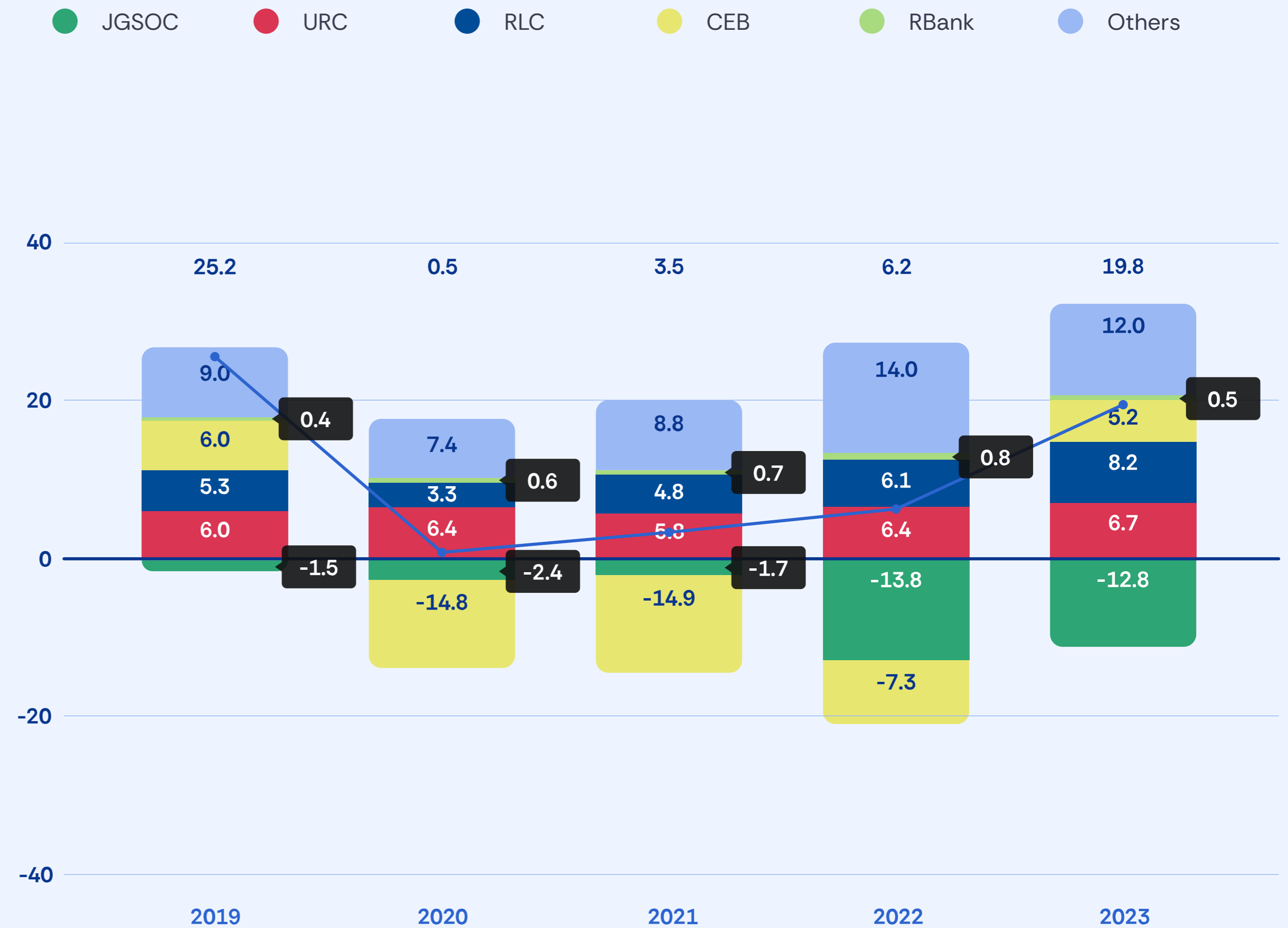
*In accordance with PFRS 5, Robinsons Bank has been reclassified to discontinued operations, hence it is not included in total consolidated revenues.*



## Core Net Income

In Php billion

Core net income continued to recover and has moved closer to its 2019 level. In 2023, core net income more than tripled vs 2022.

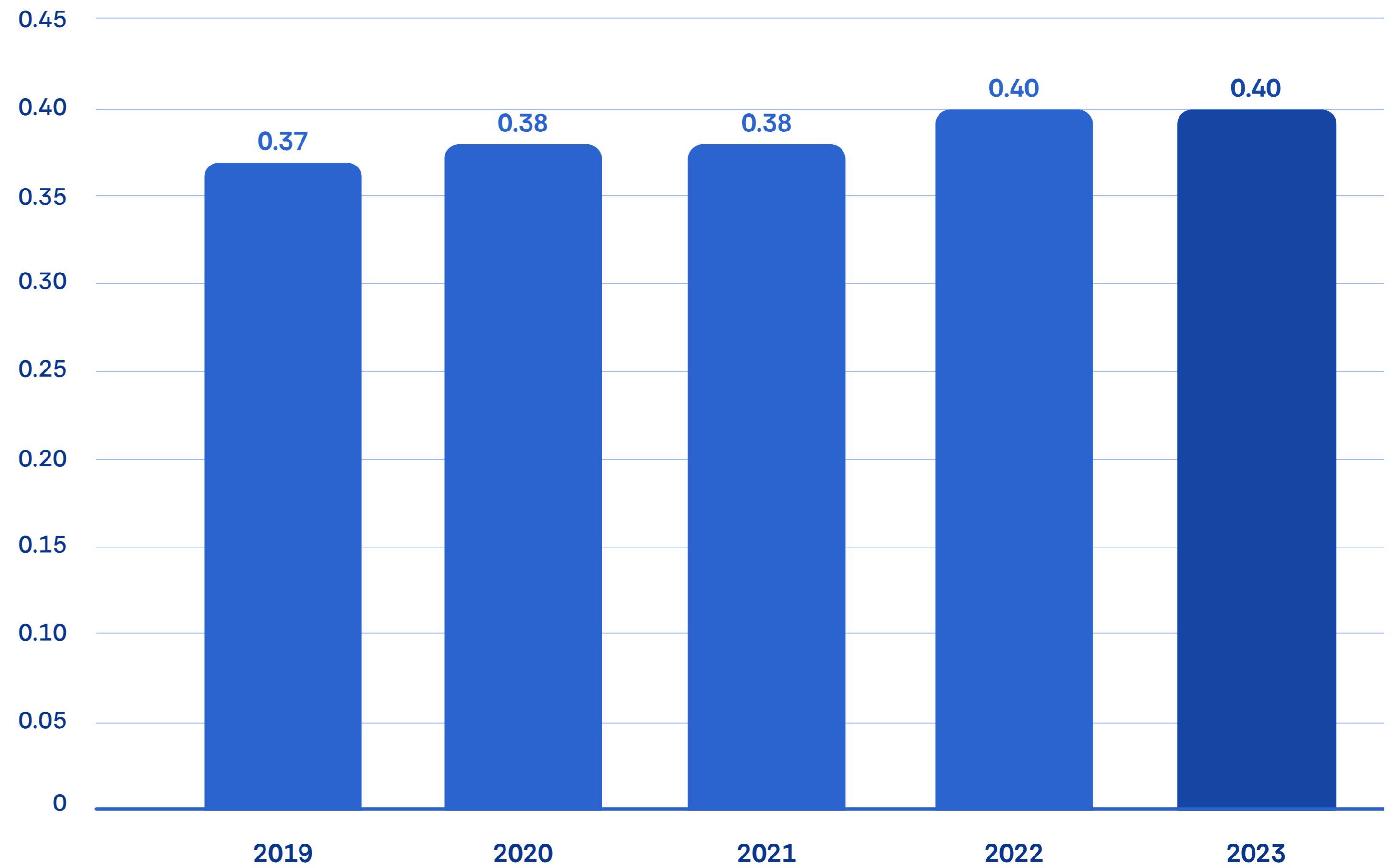


Attributable to equity holders of the parent

## Cash Dividends

Php per common share

Provided steady dividends to shareholders.

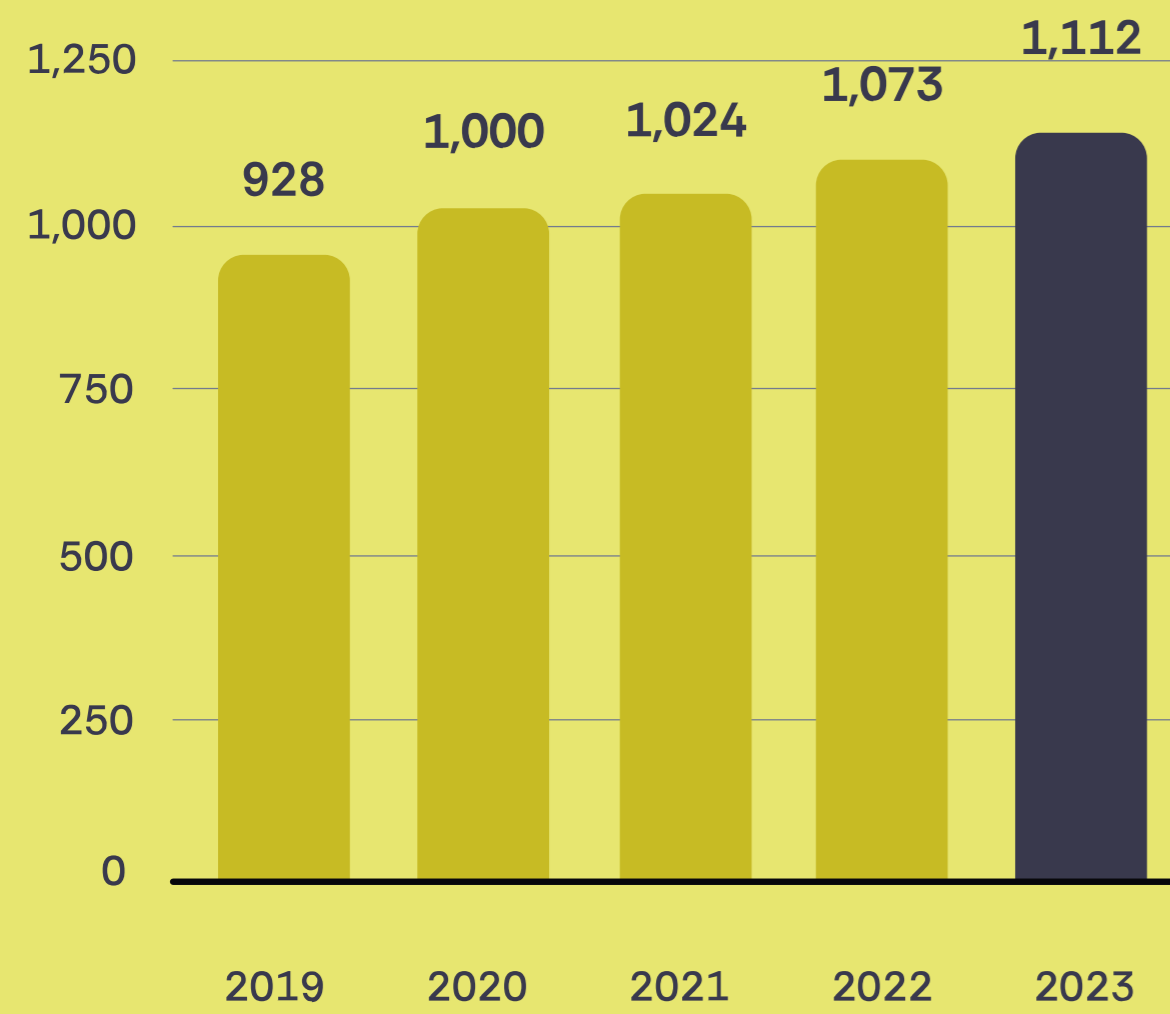




**Strong foundation with a healthy  
balance sheet**

## Total Assets

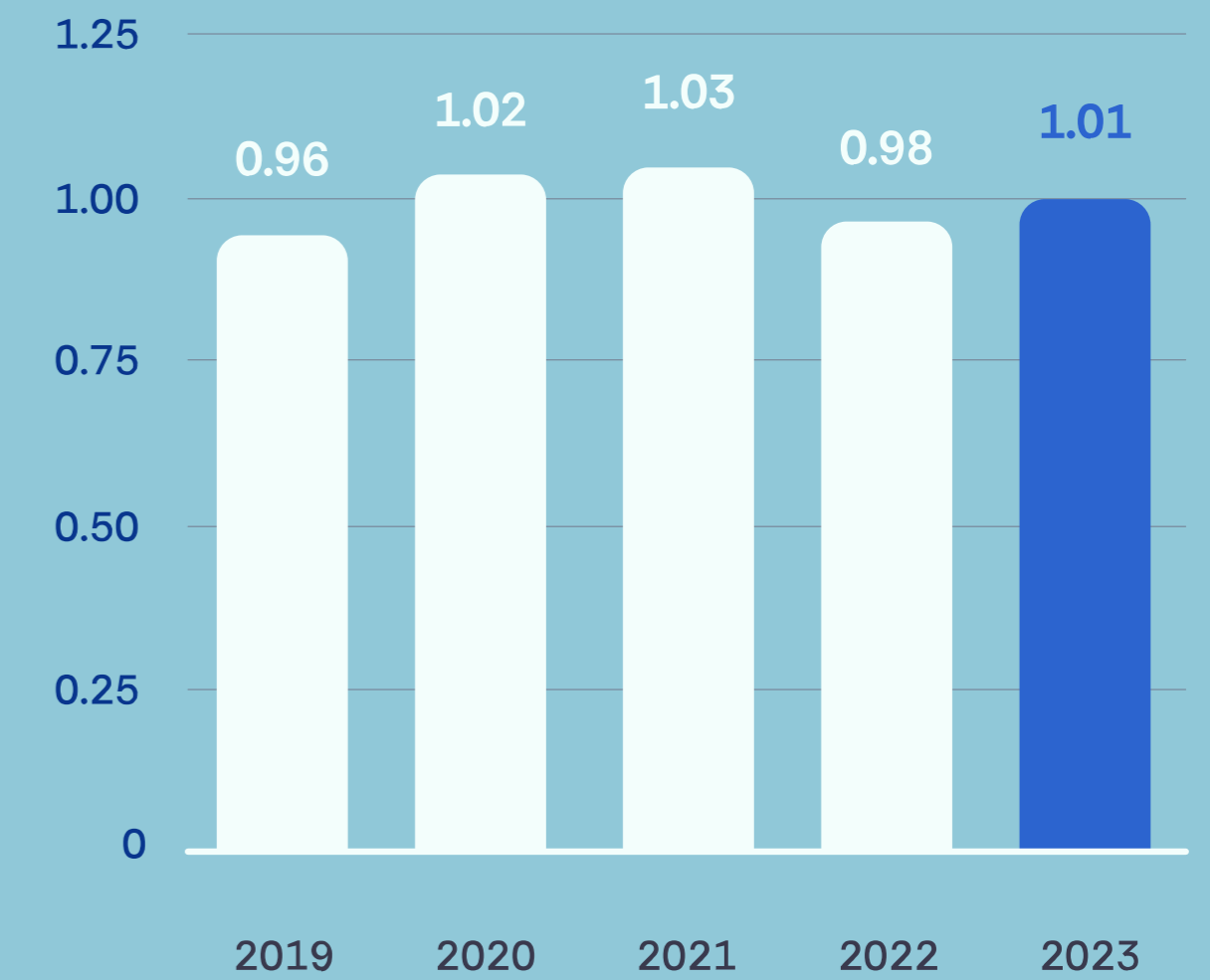
in Php billion



## Debt-to-Equity Ratio



## Current Ratio





# Key Sustainability Metrics

## Economic

in Php billion



**358.9**

Economic Value Generated\*

**336.2**

Economic Value Distributed\*\*

## Social



**24,298**

Employee Headcount\*

**1.41:1**

Male to Female Ratio\*

**21.34**

Average Training Hours per Employee

## Environmental



**36,907,400** GJ

Energy Consumption\*

**1,064,918** GJ

Total-Owned Generated Renewables

**2,585,360** tCO<sub>2</sub>e

Total GHG Emissions\*

**7.20** tCO<sub>2</sub>e/MPhp

GHG Intensity\*

**102.84** GJ/MPhp

Energy Intensity\*

**26,158,218** m<sup>3</sup>

Water Withdrawal\*

**17,044,537** m<sup>3</sup>

Water Consumption\*

**9,113,680** m<sup>3</sup>

Water Discharge\*

\*includes RBank



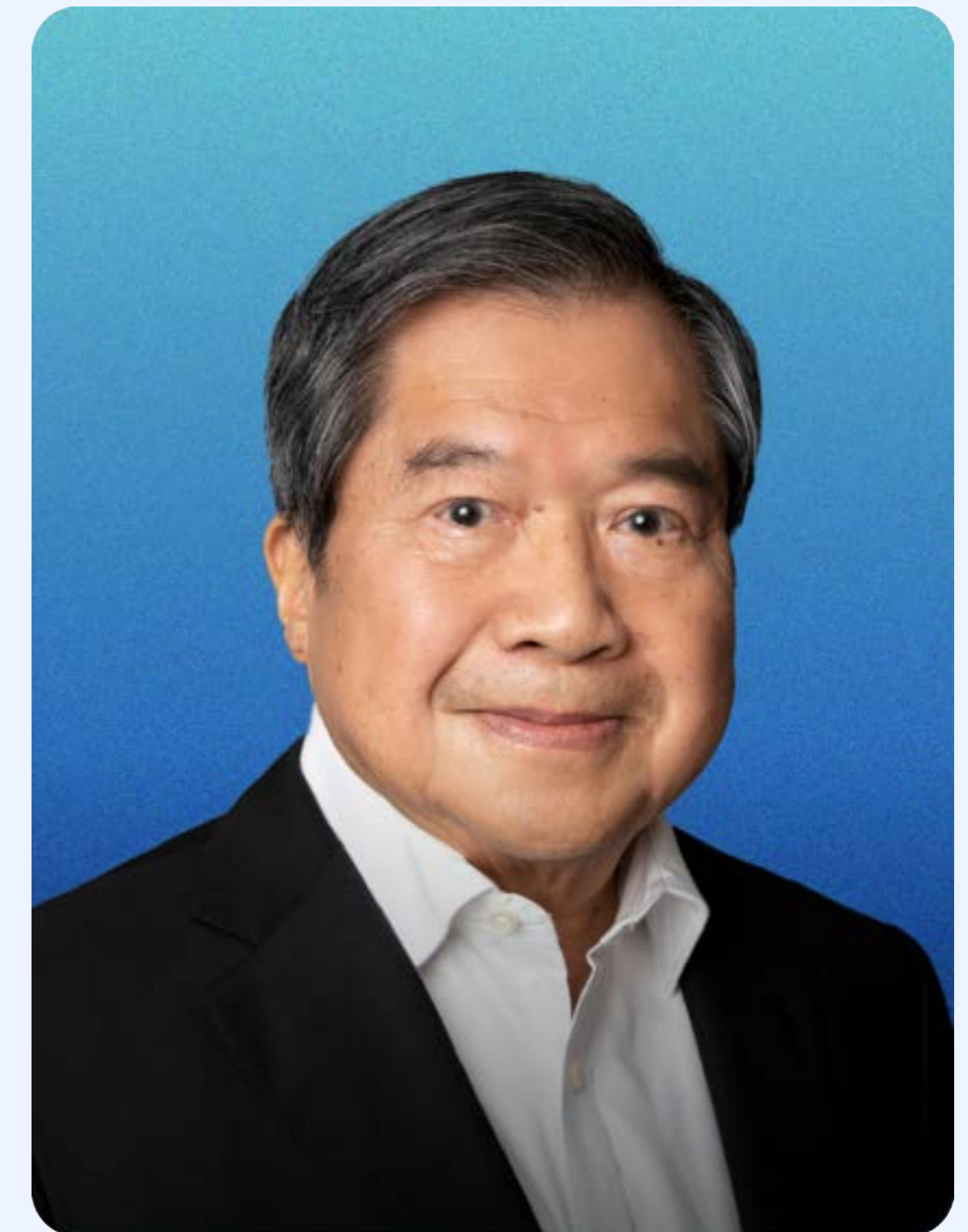
# Message to Shareholders



## CHAIRMAN'S MESSAGE

**As we progress on our journey as a conglomerate, we continuously refine our strategy to meet our customers' evolving needs and embed sustainability in our operations across the group.**

We look forward to reshaping the future with more innovative products and services in the years to come, putting to work our entrepreneurial mindset while practicing integrity and being good stewards of the resources entrusted to us.

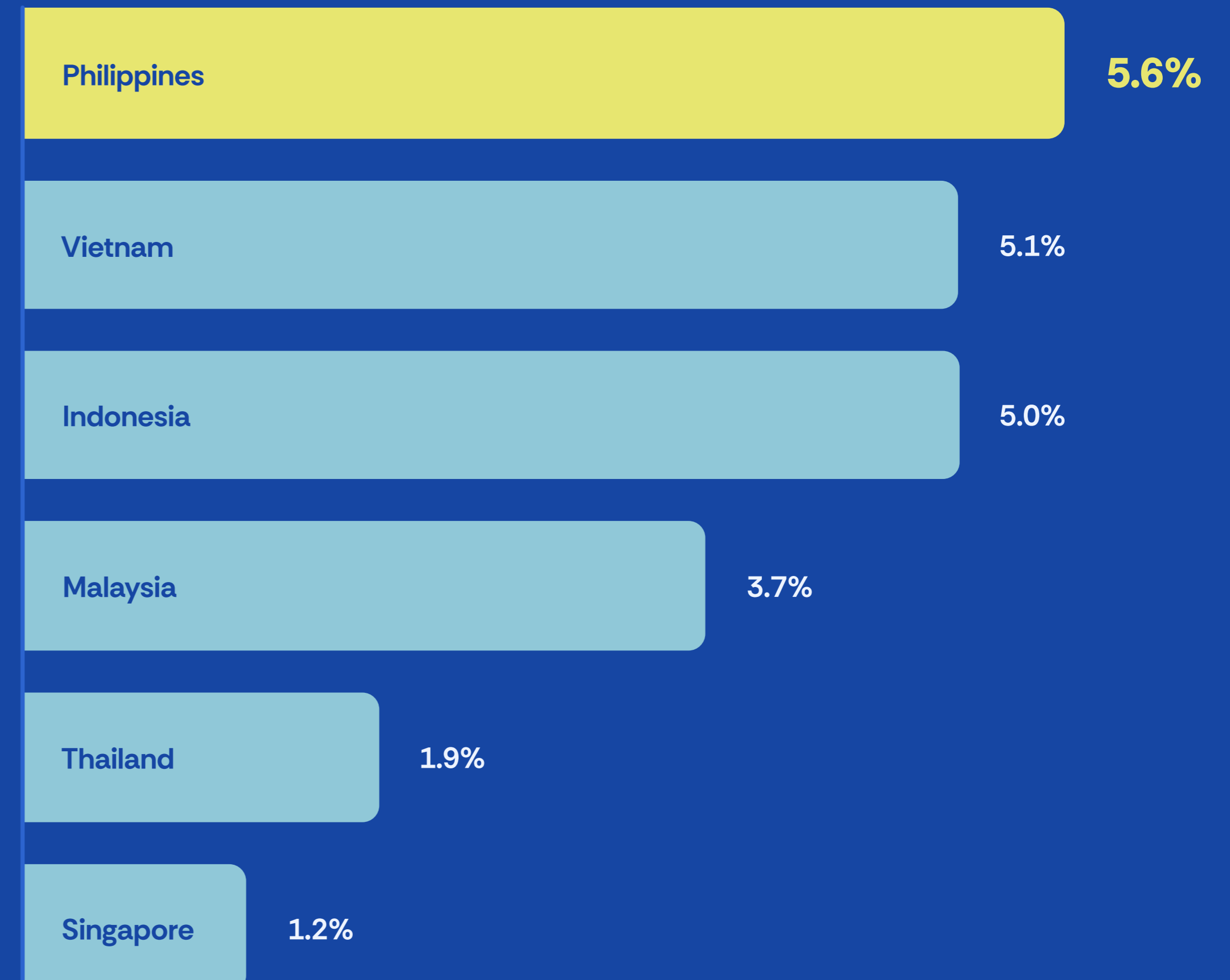


James L. Go  
Chairman

# Accelerating our Progress

Realizing progress amidst a challenging environment is a daunting task. Still, the Philippine economy posted a strong 5.6% growth in 2023, beating consensus expectations and its ASEAN peers.

## 2023 GDP Growth for ASEAN 6



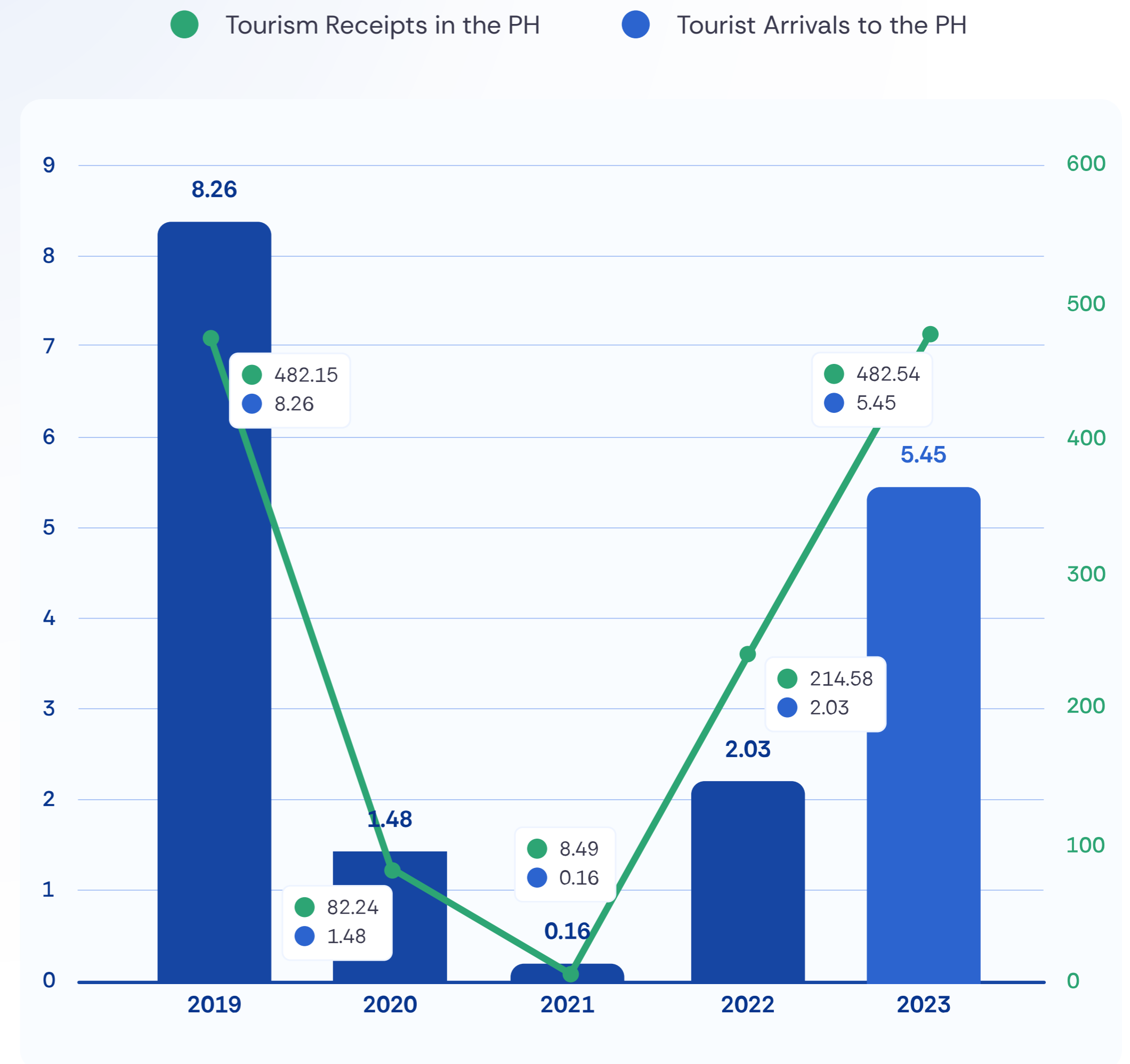
Sources:  
[Philippine Department of Finance](#), [Vietnam General Statistics Office](#), [BPS-Statistics Indonesia](#), [Central Bank of Malaysia](#), [Thailand Office of the National Economic and Social Development Council](#), [Ministry of Trade and Industry Singapore](#)



Despite the rapid rise in interest rates, the real estate industry saw a 12.9% increase in prices year-on-year, based on the Residential Real Estate Price Index (RREPI) of the Bangko Sentral ng Pilipinas (BSP). This was propelled by the sustained expansion of housing loans across the nation. The buoyant demand was also observed in our own property business, with its strong residential uptake in 2023. With the full year of unrestricted global mobility, our malls and hotels had more favorable consumer activity. Demand for our airline business also escalated, as more people were eager to travel. Our target market – the growing middle class – proved to be relatively more resilient against the elevated inflation print.

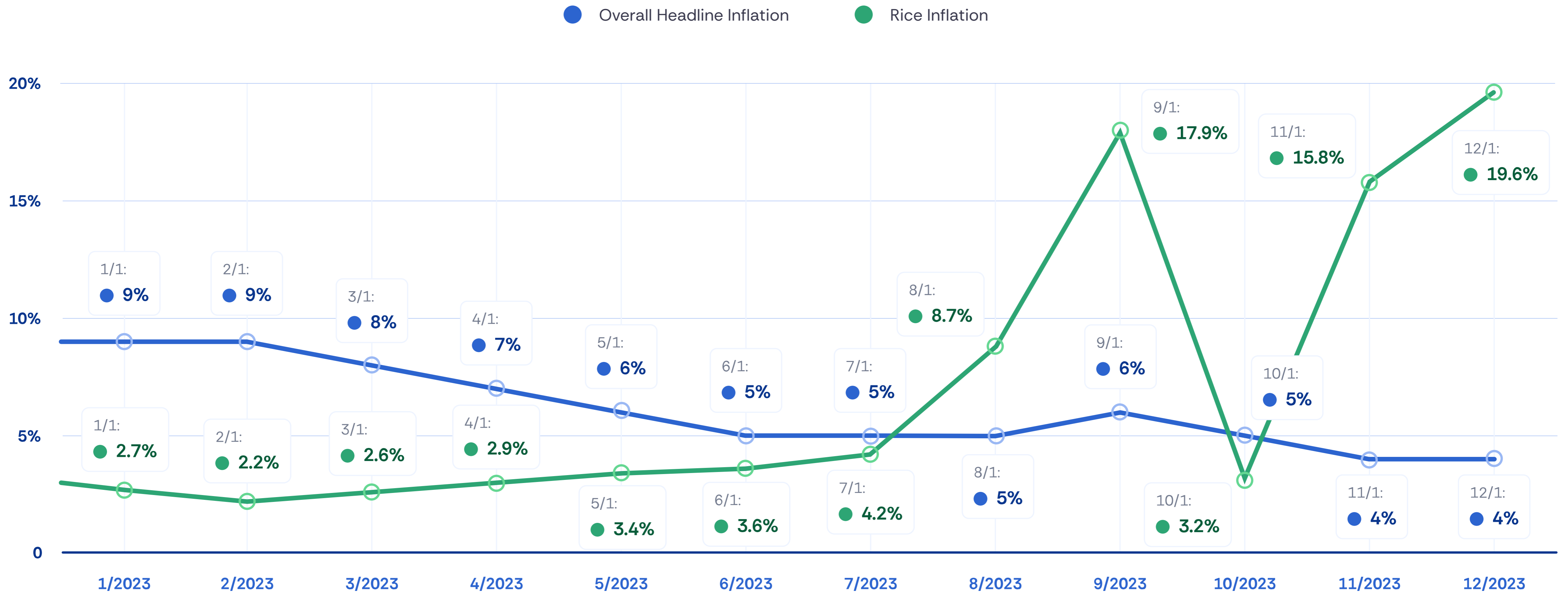
Further boosting our airline was the influx of international tourist arrivals in the Philippines to 5.45 million in 2023, exceeding the government’s projection of 4.8 million arrivals and already about two-thirds of the record 8.3 million in 2019. The country’s international tourism receipts have likewise more than doubled, from Php214.6 billion in 2022 to an estimated Php482.5 billion in 2023, and surpassed 2019 receipts of Php482.2 billion.

### International Tourist Arrivals to the Philippines (in millions) and Tourism Receipts in the Philippines (in Php billion)



Sources: Statista, Department of Tourism

# Overall Headline Inflation and Rice Inflation throughout 2023



Source: Philippine Statistics Authority

On the other hand, the secondary effects of inflation affected the ordinary Filipino. We have seen softer demand especially on discretionary items, which includes our snacks and beverages. This resulted in lower consumer demand that impacted sales volumes. Given the significant input cost inflation, we also had to implement phased and considered pricing adjustments to recover lost margins. The increase in rice prices during the latter half of the year also exacerbated the problem. Being a Filipino household staple, rice ate up a bigger share of wallet and displaced non-essential goods.

We also had to make difficult decisions for our petrochemicals arm, JG Summit Olefins (JGSOC). With a relatively slower China demand recovery, cross-border supply chain bottlenecks and elevated feedstock prices, we strategically shut down the plant in the first half of 2023, longer than the one we had in 2022. This enabled us to minimize the impact of depressed global petrochemical spreads. We resumed JGSOC's plant operations in the second half—after inventory levels began to normalize. The new downstream products from our recently completed plant expansion project also showed healthy margins. These contributed positively to the business and partially cushioned the narrow domestic and negative export margins of polymers.



# Reshaping our Future

In the latter part of 2023, we also made bold strides to support our petrochemicals business. The appointment of Arnel L. Santos as its new President and CEO came with a mandate to steer the business into improved operations and profitability. With the new leadership, JGSOC started its transformation journey with a three-pronged strategy. First, the accelerated commercial excellence theme is centered on making JGSOC the actively sought-after partner and supplier of quality products. Second, disciplined operational excellence focuses on the business' aim for continuous improvement and optimization to capture opportunities and effectively identify and mitigate the risks the business may face. Lastly, the integrated people plan would further develop the business' talents to maximize their capabilities and contributions to the business.





# Our Strategic Themes

We are committed to sustaining an environment where everyone feels safe, included, trusted, inspired, supported, and developed to be the best each can be.

A business-wide transformation journey accompanied by leading experts.



We aim to be the actively sought-after partner and supplier of quality products.

We aim to be passionate about continuous improvement, 24/7 optimization, relentless in waste elimination, agile in problem-solving and opportunity realization and effective in risk identification and mitigation.



Beyond our core businesses, our recent portfolio recalibrations have also shown much progress. We secured all regulatory approvals for the merger between the Bank of the Philippine Islands (BPI) and Robinsons Bank (RBank) by the end of 2023 and became effective last January 1, 2024. Integration is ongoing, and we are excited to collaborate closely with the Ayala group on this. Our digital banking venture, GoTyme, surpassed 2 million subscribers and attracted over Php10.0 billion in deposits. It also currently has a footprint of over 420 kiosks across the Philippines, maximizing the group's ecosystem in its expansion.

As we do our part in reshaping the financial services space, GoTyme has also launched its first lending product. Created in partnership with PayMongo, this is the Philippines' first fully automated MSME loan product. It allows clients in the PayMongo network to get a formal loan in real-time after completing a two-step digital procedure. This streamlines the process and eliminates the need for lengthy paperwork required by traditional financial institutions.

Learn more about GoTyme's first lending product here:

<https://www.paymongo.com/capital>



GoTyme in partnership with Paymongo

We have also progressed in our sustainability journey as we launched our Climate Resilience Project, which identifies climate risks and creates mitigating steps on critical facilities across the group. Through this initiative we aim to better prepare our businesses against these risks that may jeopardize our operations and integrate this step into future projects that we will be undertaking as a group.



# 2024 Outlook

With the relatively lower inflation we've seen so far compared to the previous year, we are optimistic about consumer demand as we push for volume growth in our food business. We also hope to see more favorable lending rates in the latter half of the year, with the Bangko Sentral ng Pilipinas (BSP) expected to follow suit once the Federal Reserve (Fed) cuts rates. This would bode well for residential property demand and real estate valuations. Additionally, we are putting efforts into bringing our airline's international short haul network back to pre-pandemic levels, working on ways to improve our capacity while engine issues persist in the near term. Our petrochemicals unit will likely remain challenged, so we are accelerating our efforts on the transformation project to address what we can control and be prepared for when the cycle turns. We also remain cognizant of our risks, such as the impact of El Niño as well as geopolitical and economic tensions, but I am confident that the group can effectively navigate through this ever-changing business landscape.

As we progress on our journey as a conglomerate, we continuously refine our strategy to meet our customers' evolving needs and embed sustainability in our operations across the group. We look forward to reshaping the future with more innovative products and services in the years to come, putting to work our entrepreneurial mindset while practicing integrity and being good stewards of the resources entrusted to us.

**James L. Go**

Chairman



**As we navigate the ever-changing business landscape, we accelerate our progress by capitalizing on our vast ecosystem and the initiatives we have set to capture efficiencies and ensure sustainability in our operations.**

Looking back at another year that has passed, we keep our focus on our commitment to provide our customers with products and services that give them better choices and create shared success with the stakeholders who continue to empower us along our journey towards progress.



Lance Y. Gokongwei

President & Chief Executive Officer



# President and CEO's Report

Going beyond our post-pandemic recovery, our businesses continued to progress through the new normal. Travel demand boomed as we saw a full year of eased mobility, which propelled our airline back into profitability. Our real estate business also saw robust growth, especially as foot traffic in malls and bookings in hotels improved. In addition, margin expansion in our real estate and food businesses offset the volatility we continued to see in fuel prices and the high inflation that affected consumer demand.

Aside from the performance of our business units, we also focused on advancing our strategies as well as managing our risks as a group. We embarked on a transformation project for JG Summit Olefins, preparing it for the turn of the prolonged trough in the global petrochemical cycle by capturing opportunities to improve performance. We also saw progress in what we started in 2022, with our digital bank GoTyme hitting significant milestones and Robinsons Bank's merger with BPI already completed by the end of the year. Our sustainability journey also progressed with the first step of our Climate Resilience Project. With these advancements across the group, we hope to reshape the future as we continue our commitment to provide our customers with better choices and create shared success with our stakeholders.



# 2023 Performance

JG Summit completed the year with a 14% growth in revenues amounting to Php344.0 billion, owing to the strong recovery of our airline as we saw the increase in mobility both locally and globally. Coupled with better margins in our food and real estate businesses, this led to our core net income to more than tripling year-on-year to end at Php19.8 billion and our net income jumping to Php20.0 billion from Php651 million, despite the absence of the gain we saw from our sale of Meralco shares in 2022 and the extended plant shutdown for JG Summit Olefins we had in the first half of 2023.

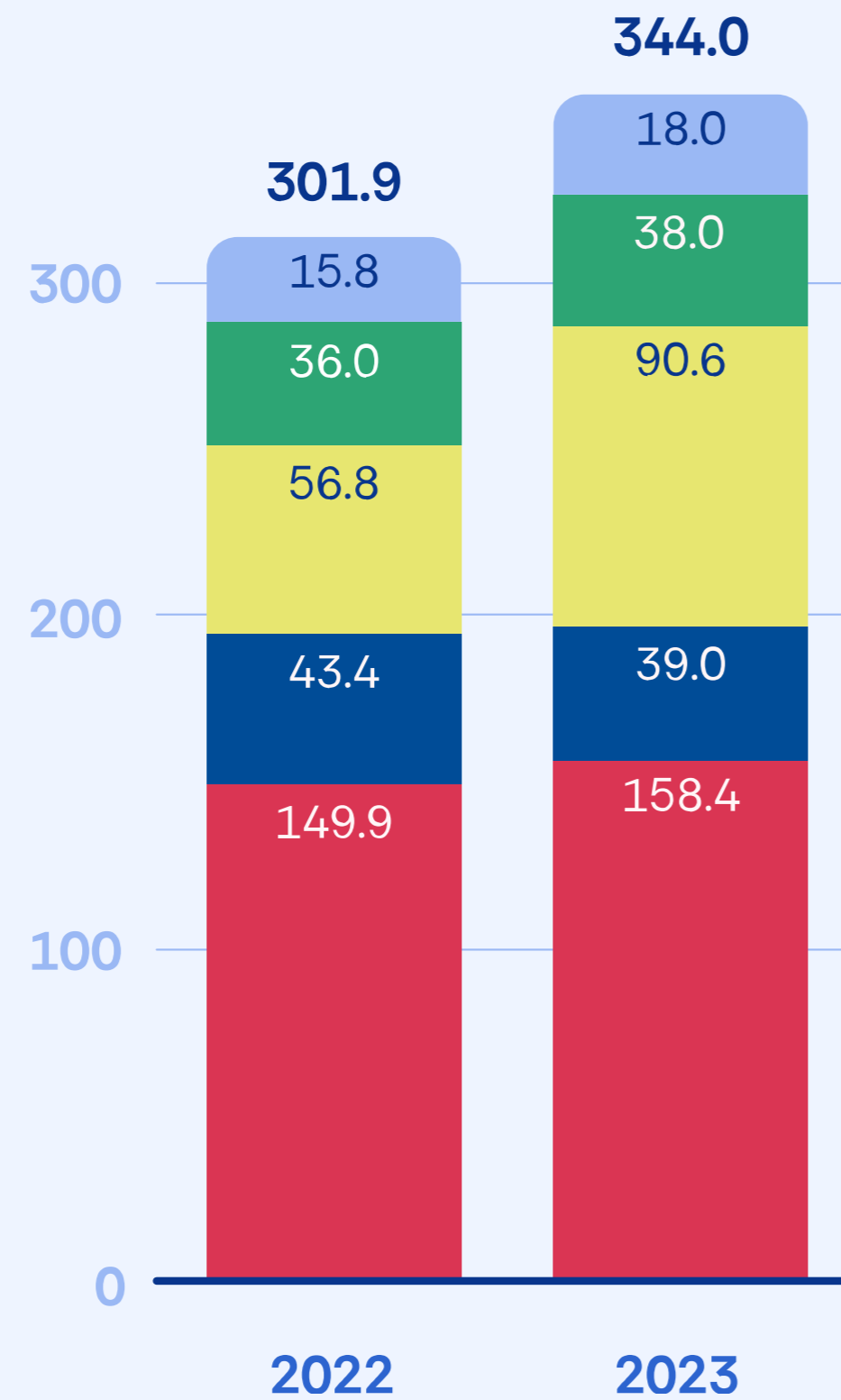
The group also continued to have a solid financial position that enabled it to fuel expansion across our business units, with the consolidated debt-to-equity ratio improving to 0.68 at the end of 2023. At the parent level, we repaid our \$750 million bond earlier this year, leading our long-term debt to fall 35% and the remaining blended term of our outstanding debt to shift to 4.6 years. We also received dividends totaling Php15.7 billion from some of our SBUs and core investments, augmenting our cash position and allowing us to infuse additional capital in JGSOC to support the business.

## FY Revenue

in Php billion

Total revenues continued to grow year-on-year.

- JGSOC
- CEB
- RLC
- URC
- Others



## Core Net Income

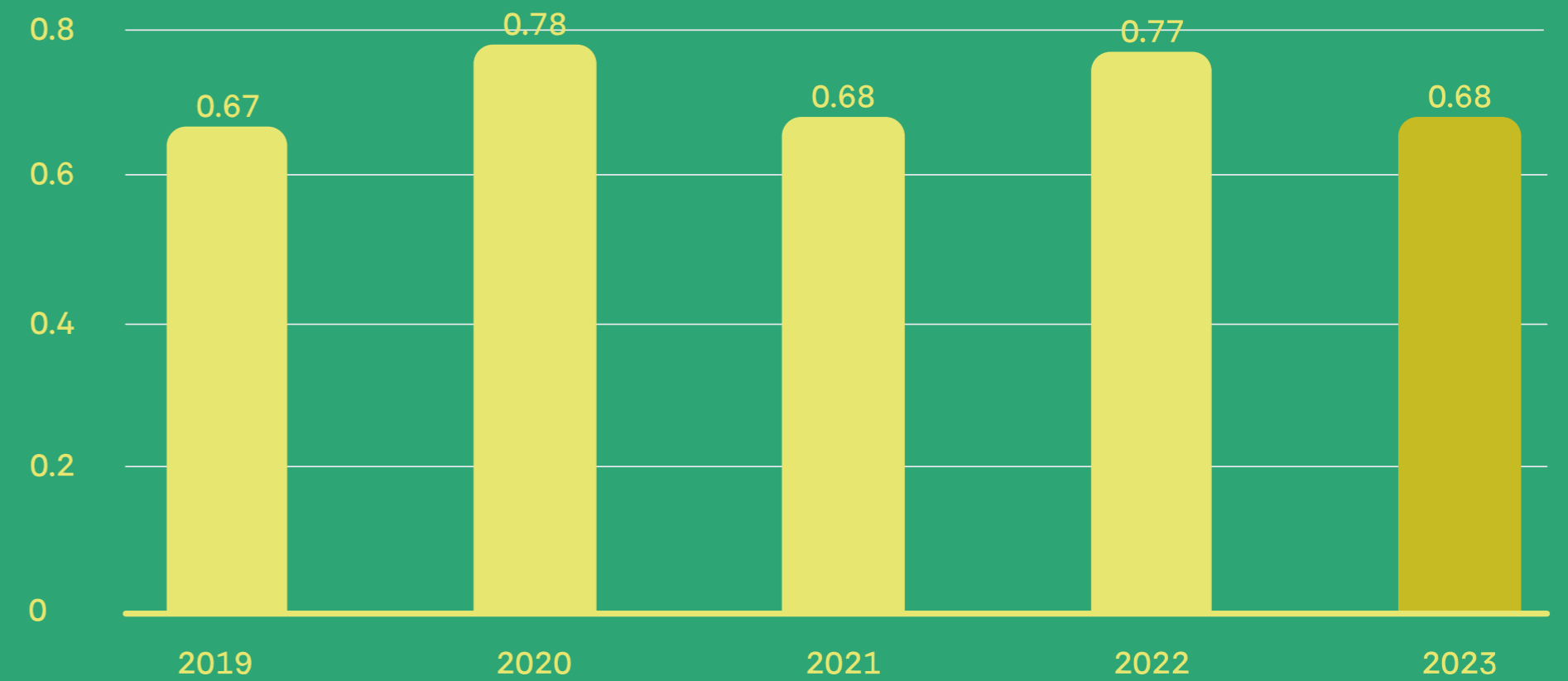
FY 2023

+220% vs SPLY

# ₱19.8B

Attributable to equity holders of the parent

## Debt-to-Equity Ratio

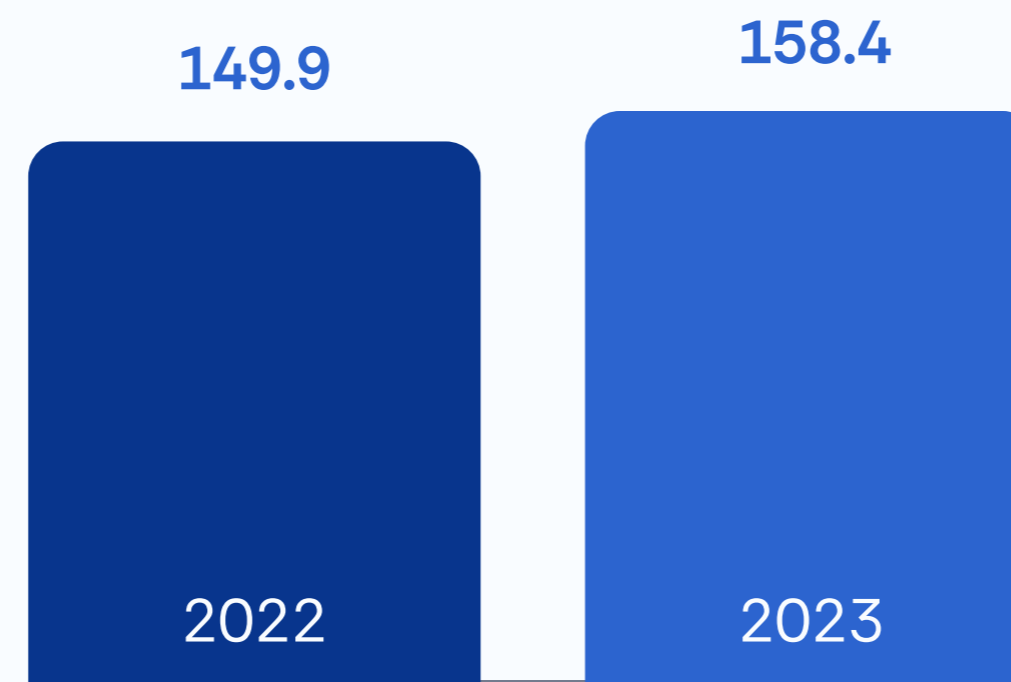




## **Key Performances of our Strategic Business Units**



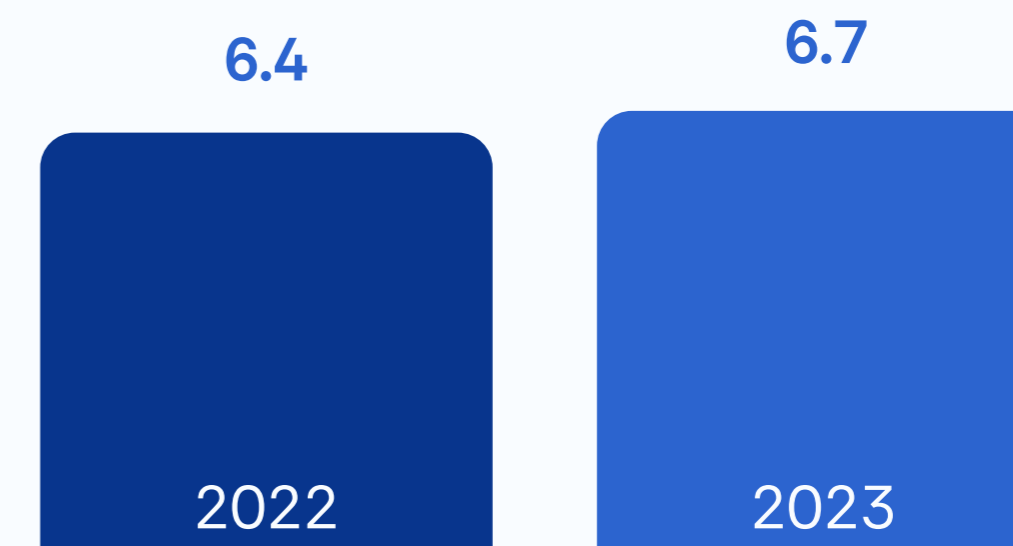
## Revenue In Php Billion



+6% vs SPLY

Growth rates tapered against a higher base in 2022 as well as a challenging macroeconomic backdrop and volume softness post-pricing actions.

## Attributable Core Net Income In Php Billion

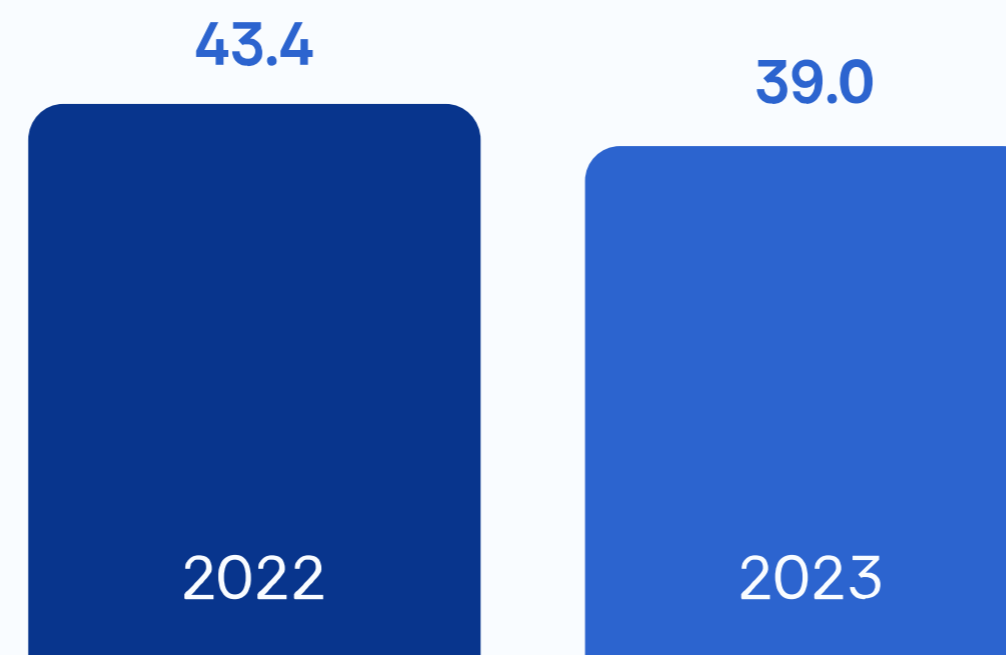


+4% vs SPLY

Operational and cost efficiencies led to better margins amidst challenged consumer demand

## Revenue

In Php Billion

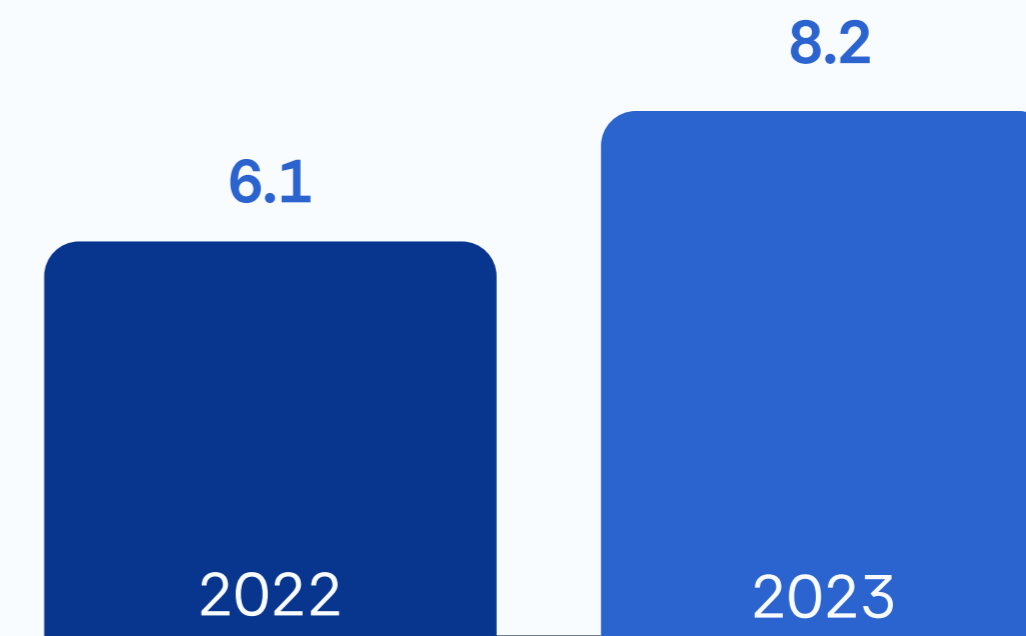


-10% vs SPLY

Domestic divisions, especially malls and hotels, saw robust growth, but Chengdu revenues recognized in 2022 led to the decline in 2023

## Attributable Core Net Income

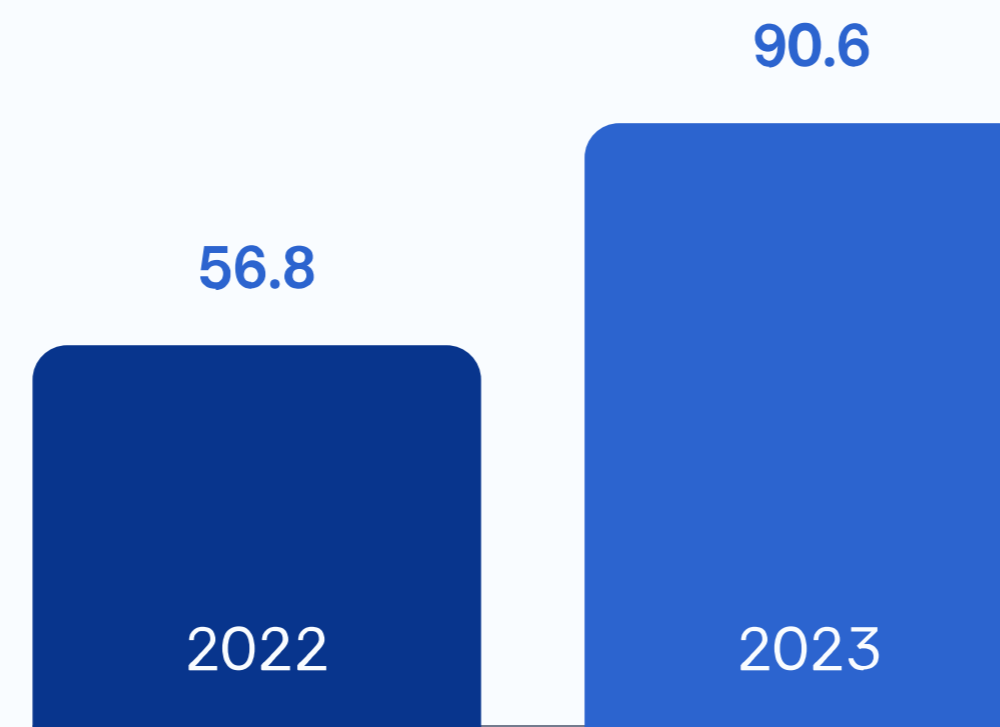
In Php Billion



+35% vs SPLY

Strong margin expansion allowed net income to grow despite the fall in revenues

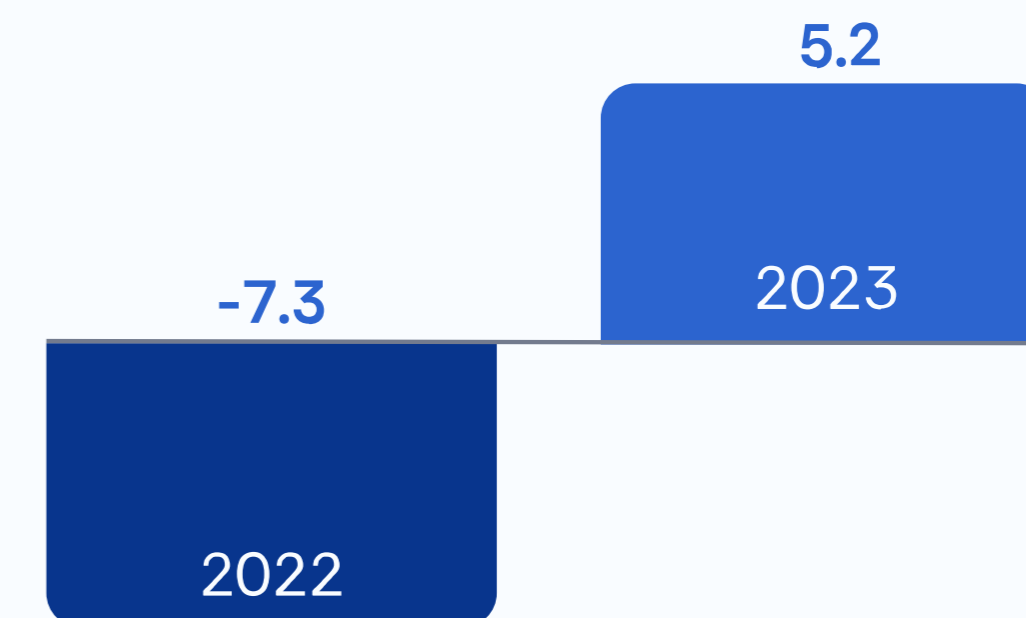
**Revenue**  
In Php Billion



**+60% vs SPLY**

Strong travel demand propelled revenue growth with higher fares and better ancillary yields

**Attributable Core Net Income**  
In Php Billion



**₱12.9B improvement vs SPLY**

Despite increased operations, operating expenses growth grew relatively slower with more efficient fuel consumption and favorable oil prices



## Revenue

In Php Billion

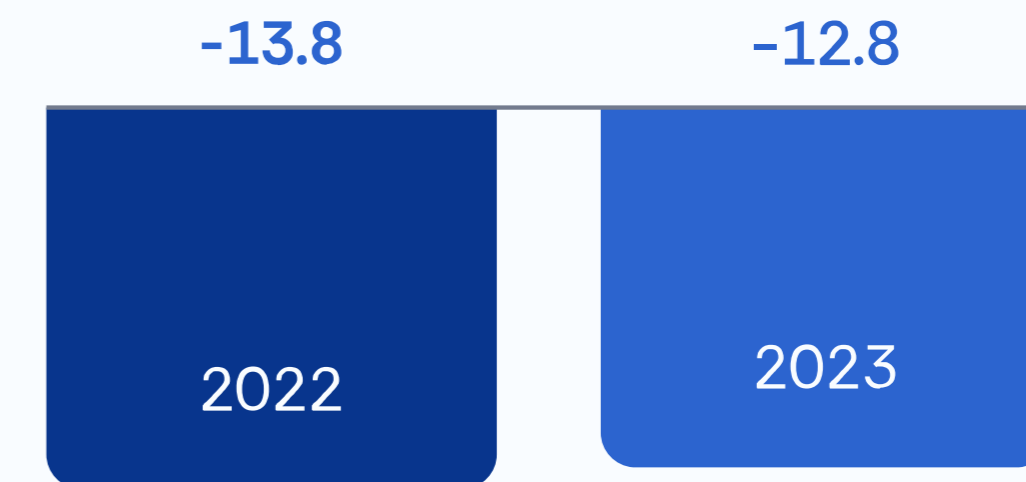


+6% vs SPLY

Global petrochemical demand remained challenging, with higher volumes seen after cracking operations resumed in the middle of the year

## Attributable Core Net Income

In Php Billion



₱0.9B improvement vs SPLY

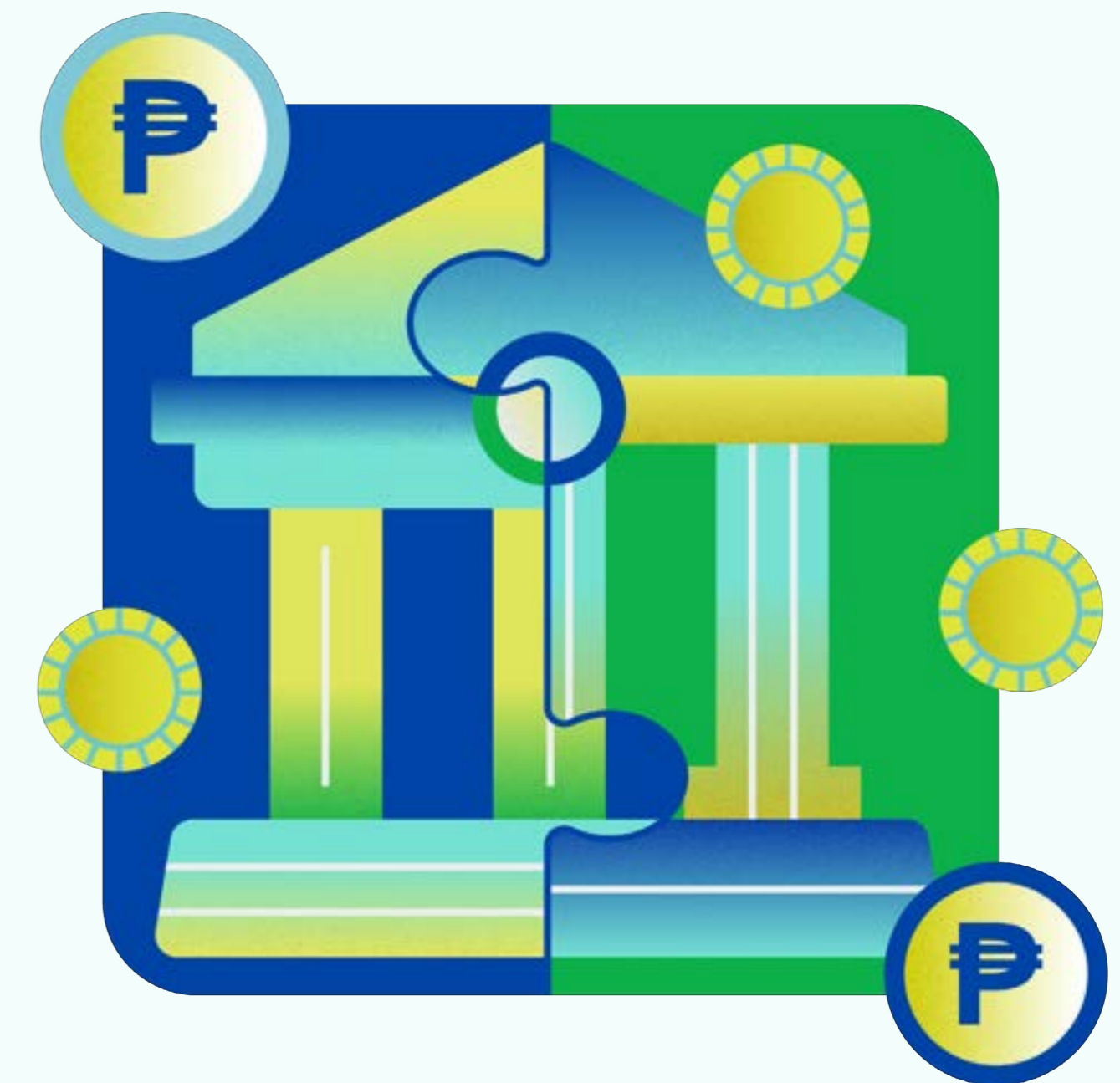
New products from the newly completed plant expansion allowed us to narrow losses despite a prolonged shutdown in 2023

# Accelerating our progress with BPI

The merger between the Bank of the Philippine Islands (BPI) and Robinsons Bank Corporation (RBank) obtained all regulatory approvals by the end of 2023. This is now in effect as of January 1, 2024 with integration underway. We look forward to further strengthening the partnership between Gokongwei and Ayala companies so we can continue offering better products and services to the customers of both BPI and RBank.

After the announcement of the agreement of the merger, we began to classify RBank as part of discontinued operations, contributing about Php552 million to JG Summit's core net income. In addition, JG Summit began to receive dividends from RBank by virtue of the merger, amounting to Php0.6 bn in 2023. This will now be replaced by the dividend income JG Summit will receive as a shareholder of BPI moving forward.

Further supporting the value accretive nature of the merger for both parties is the appreciation of BPI's share prices since the merger's announcement. This shows the capital markets' belief that the merger will unlock various synergies across both groups to expand BPI's client base and accelerate its growth to ultimately increase shareholder value.





## Reshaping the future through digital banking

Our digital bank, GoTyme, has also reached significant milestones in 2023. It surpassed the two-million customer mark and ended the year with ten billion pesos in deposits, progressing significantly faster than Tyme Bank's experience in South Africa. We are delighted to see that our customers recognize the value we bring to the digital banking industry through our "phygital" approach, making the banking experience with GoTyme feel more genuine.

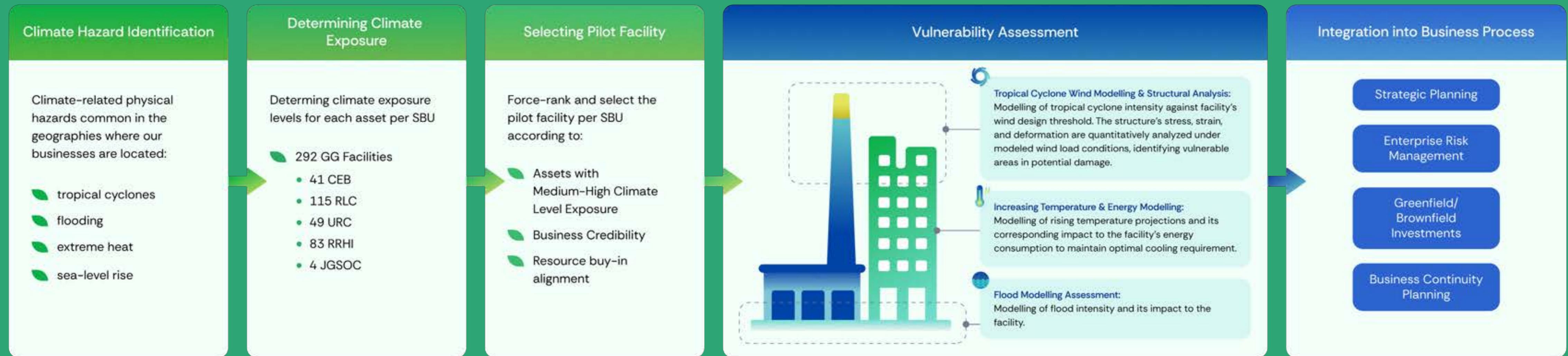
We look forward to opening more doors for unbanked and underbanked Filipinos in the future as we venture into providing more products and services.

Read more about [GoTyme](#).





# Ensuring the sustainability of our businesses against climate risks



After releasing our ESG targets in our 2022 report, we took the next step in our sustainability journey by digging deeper into our climate risks, understanding how these would impact our businesses, and creating measures to mitigate their effects. We began our Climate Resilience Project in 2023 by conducting facility-level analyses across our business units. In partnership with climate scientists, we assessed the inherent resilience of identified key assets and developed tailored risk mitigation strategies for these, serving as the first phase of the broader strategy that we plan to extend to other critical facilities and assets. Through this project, we aim to ensure that our strategy against climate risks is actionable and can be applied throughout the group.

Our Climate Resilience Project is one of the proactive measures we've taken on sustainability as a group, which aligns with our long-term conglomerate-wide strategy, which includes non-financial goals in ESG. The achievement of this would come from leveraging the group's ecosystem to implement valuable ESG initiatives collaboratively and collectively to improve transparency. This puts us ahead of the release of new sustainability reporting regulations under IFRS S1 and S2 and the Securities and Exchange Commission (SEC) guidelines, empowering us to be better prepared for their implementation in the coming years.

Read more in our [Sustainability Report](#).



# Closing Remarks

As we navigate through the ever-changing business landscape, we accelerate our progress by capitalizing on our vast ecosystem and the initiatives we have set to capture efficiencies and ensure sustainability in our operations. We continue to the next phases of the portfolio moves we have undertaken in the past year. Our transformation project for JG Summit Olefins is underway and we hope to realize positive results soon. We are also working with BPI to ensure a smooth integration of Robinsons Bank clients into their system post-merger; GoTyme will be launching credit products in the coming months to serve its customers in more ways. On the Climate Resilience Project, we will implement the analysis we have already done on key assets on the other facilities across our businesses in various regions. These, alongside our other sustainability, agile, and digital transformation initiatives will help us reshape the future to meet the evolving needs of our customers.

Looking back at another year that has passed, we keep our focus on our commitment to provide our customers with products and services that give them better choices and create shared success with the stakeholders that continue to empower us along our journey towards progress. I am grateful to everyone for their contributions, which enable us to accelerate our progress and reshape the future.

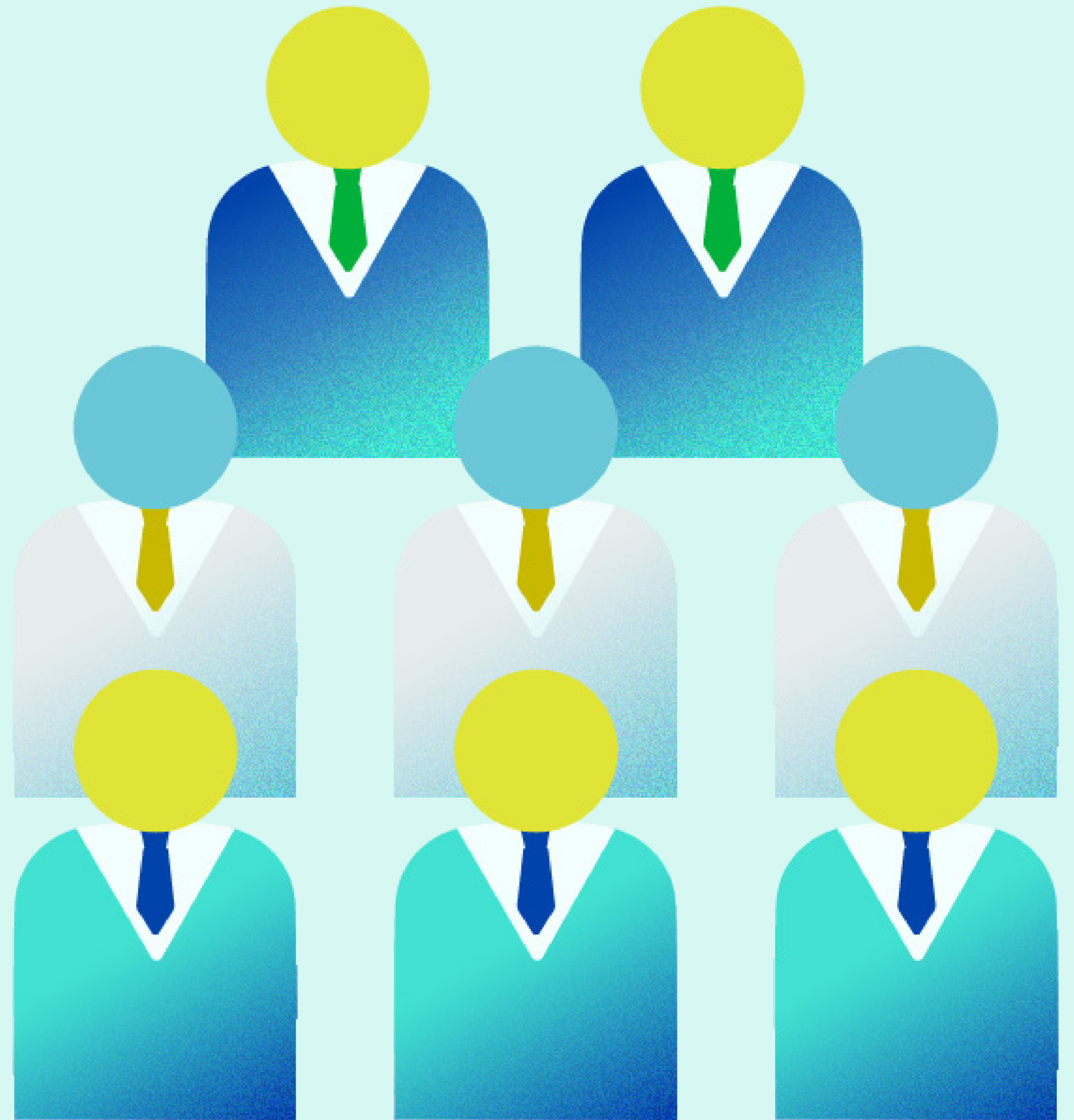
**Lance Y. Gokongwei**

President and Chief Executive Officer



LEADERSHIP

# Board of Directors







**James L. Go**  
Chairman



**Lance Y. Gokongwei**  
President and Chief Executive Officer



**Antonio L. Go**  
Lead Independent Director



**Artemio V. Panganiban, Jr.**  
Independent Director



**Jose T. Pardo**  
Independent Director



**Renato T. De Guzman**  
Independent Director



**Robina Gokongwei Pe**  
Director



**Patrick Henry C. Go**  
Executive Director



**Johnson Robert G. Go Jr.**  
Director





# James L. Go

## Chairman

Mr. James L. Go, 84, has been the Chairman of JGS since May 14, 2018. He is also the Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation, the Vice Chairman of Robinsons Retail Holdings, Inc., and a Board Advisor of Cebu Air, Inc. since January 1, 2023. He is the Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation and JG Summit Olefins Corporation. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a Director of PLDT, Inc. since November 3, 2011, and is an Advisor to the Audit Committee and a member of the Technology Strategy and Risk Committees. He was elected a Director of Manila Electric Company on December 16, 2013, and is a member of the Executive, Finance, Nomination and Governance, Audit, Risk Management, and Related Party Transactions Committees. Mr. James L. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.





# Lance Y. Gokongwei

## President and Chief Executive Officer

Mr. Lance Y. Gokongwei, 57, is the President and Chief Executive Officer of JGS since May 14, 2018. He is also the Chairman of Cebu Air, Inc., Universal Robina Corporation, Robinsons Retail Holdings, Inc., and JG Summit Olefins Corporation. Effective January 8, 2024, he became the Chairman, President, and Chief Executive Officer of Robinsons Land Corporation. He is a Director and a Vice Chairman of the Executive Committee of Manila Electric Company. He is also a Director of RL Commercial REIT, Inc., Altus Property Ventures, Inc., Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, Shakey's Asia Pizza Ventures, Inc., AB Capital and Investment Corporation, and Endeavor Acquisition Corporation. He is a Trustee and the Chairman of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.





# Antonio L. Go

## Lead Independent Director

Mr. Antonio L. Go, 84, has been a Non-Executive and Independent Director of JGSHI since May 23, 2018 and appointed Lead Independent Director since November 11, 2021. He is currently the Chairman of Equicom Savings Bank, ALGO Leasing and Finance, Inc., My Health Ventures Corporation, and the Vice Chairman of Maxicare Healthcare Corporation, and Maxicare Life Insurance Corporation. He is a Director of Equitable Computer Services, Inc., Medilink Network, Inc., Equicom Inc., Equicom Manila Holdings, Inc., Equitable Development Corp., T32 Dental Centre Pte Ltd. (Singapore), Dental Implant Maxillofacial Centre Pte Ltd. (Hong Kong), Mioki Holdings Pte. Ltd., Algo Healthcare Holdings Pte. Ltd., Equicom Health Solutions Pte. Ltd., Pin-An Holdings, Inc., Equicom Property Holdings, Inc., DDMP REIT, Inc., Maxicare Health Services, Inc., Steel Asia Manufacturing Corporation and Dito Telecommunity Corporation. He is also a Trustee of Go Kim Pah Foundation, Equitable Foundation, Inc., and Gokongwei Brothers Foundation, Inc. He graduated from Youngstown University, United States with a Bachelor of Science Degree in Business Administration. He attended the International Advance Management program at the International Management Institute, Geneva, Switzerland as well as the Financial Planning/Control program at the ABA National School of Bankcard Management, Northwestern University, United States.





# Artemio V. Panganiban, Jr.

## Independent Director

Chief Justice Artemio V. Panganiban (Ret.), 87, has been an Independent Director of JGS since May 14, 2021. He previously served as an Independent Director of Robinsons Land Corporation. He is concurrently an Adviser, Consultant and/or Independent Director of several business, civic, non-government and religious groups. He also writes a regular column in the Philippine Daily Inquirer. He is a retired Chief Justice of the Philippines and was concurrently Chairperson of the Presidential Electoral Tribunal, the Judicial and Bar Council and the Philippine Judicial Academy. Prior to becoming Chief Justice, he was Justice of the Supreme Court of the Philippines (1995–2005), Chairperson of the Third Division of the Supreme Court (2004–2005), Chairperson of the House of Representatives Electoral Tribunal (2004–2005), Consultant of the Judicial and Bar Council (2004–2005) and Chairperson of eight Supreme Court Committees (1998–2005). He authored fourteen (14) books. Retired Chief Justice Panganiban obtained his Bachelor of Laws degree, cum laude, from the Far Eastern University and placed 6th in the 1960 bar examination. He was conferred the title Doctor of Laws (Honoris Causa) by the University of Iloilo in 1997, the Far Eastern University in 2002, the University of Cebu in 2006, the Angeles University in 2006, and the Bulacan State University in 2006.





# Jose T. Pardo

## Independent Director

Mr. Jose T. Pardo, 84, has been an Independent Director of JGS since August 6, 2003. He is the Chairman of the Philippine Stock Exchange and the Philippine Seven Corporation. He is also a Director of Del Monte Philippines, Inc., and Advisory Board Chair of the Bank of Commerce.

Mr. Pardo also serves in various private and non-listed enterprises and is the Chairman of the Securities Clearing Corporation of the Philippines, a Director of National Grid Corporation of the Philippines, League One Finance and Leasing Corporation, and Araneta Hotels. Mr. Pardo is also the Chairman of the ECOP Council of Business Leaders, the Chairman of the PCCI Council of Business Leaders, the Chairman and a Trustee of the Philippine Stock Exchange Foundation, a Director of ZNN Radio Veritas Foundation, and a Director and Trustee of Bayaning Pulis Foundation. He also held positions in Government as former Secretary of the Department of Finance and former Secretary of the Department of Trade and Industry. He obtained his Bachelor of Science in Commerce, Major in Accounting and Master's of Business Administration from De La Salle University in Manila. He has been conferred on February 10, 2018, an Honorary Doctorate in Finance by the De La Salle University in Manila.





# Jose T. Pardo

## Independent Director

Mr. Pardo's expertise and many years of experience have been invaluable to the management of JGS, especially because of his extensive experience in public service. Mr. Pardo has served in various civic and other organizations' leadership capacities. His insights as the Chair of JGS's Governance, Nomination, Remuneration, and Sustainability Committee are very valuable and instrumental in helping the Corporation realize its purpose and ambition to deliver efficient and prudent management of the Corporation that will provide long-term success aligned with its core values of entrepreneurial mindset, stewardship, and integrity. Mr. Pardo's visionary leadership and outstanding contributions have earned him numerous honors and distinctions from national award-giving bodies and educational institutions, which include the following: The Outstanding Filipino Award for Business, The Outstanding Young Men Award, the Man of the Year Award, the President Roxas Memorial Award, and De La Salle Alumni Association Distinguished Lasallian Award. The Corporation recognizes Mr. Pardo's invaluable contribution to the furtherance of the goals and objectives of the Corporation and his vital instruction in navigating the Philippine regulatory landscape. The Corporation's management believes that





# Jose T. Pardo

## Independent Director

the extensive experience of its directors and senior management is crucial in future-proofing the Corporation and its businesses and ensuring that customers are provided with better choices and that successes are shared with stakeholders.

We note that while SEC Memorandum Circular (MC) No. 19, Series of 2016 limits the term of independent directors to nine (9) years reckoned from 2012, the affirmative vote of stockholders representing majority of the Corporation's total outstanding capital stock for the election of Mr. Pardo shall be deemed approval from the stockholders for Mr. Pardo to serve as independent director of JGS for the ensuing year, as required under the aforementioned circular.





# Renato de Guzman

## Independent Director

Mr. Renato T. de Guzman, 73, has been an independent director of JGS since April 28, 2015. He was appointed Chairman of the Board of Trustees of the Government Service Insurance System in July 2015 under the previous administration and served until December 2016. He is currently a Director of Maybank Philippines, Inc. since April 2016 and Maybank Singapore Limited since July 1, 2019. He is the Chairman of Nueva Ecija Good Samaritan Health System, Inc. and Good Samaritan College. He was a Senior Adviser of the Bank of Singapore until September 2017, Chief Executive Officer of the Bank of Singapore (January 2010–January 2015), ING Asia Private Bank (May 2000–January 2010), Country Manager Philippines of ING Barings (1990–2000), and Deputy Branch Manager of BNP Philippines (1980–2000). He holds a Bachelor of Science in Management Engineering from the Ateneo de Manila University, Master’s Degree in Business Administration with Distinction at the Katholieke Universiteit Leuven, Belgium and a Masters in Management from McGill University, Canada.





# Robina Gokongwei Pe

## Director

Ms. Robina Gokongwei Pe, 62, has been a Director of JGS since April 15, 2009.

She is the President and Chief Executive Officer of Robinsons Retail Holdings, Inc. (RRHI).

Operating a diverse portfolio of brands, RRHI is one of the largest multi-format retailers in the country. She is also a Director of Robinsons Land Corporation and Cebu Air, Inc. She is a Trustee and the Secretary of the Gokongwei Brothers Foundation, Inc. and a Trustee and Vice Chairman of the Immaculate Concepcion Academy Scholarship Fund. She is also a member of the Xavier School Board of Trustees. She was formerly a member of the University of the Philippines Centennial Commission. She attended the University of the Philippines–Diliman from 1978 to 1981 and obtained a Bachelor of Arts in Journalism from New York University in 1984. She has two children, Justin, 28 and Joan, 17. She is married to Perry Pe, a lawyer.





# Patrick Henry C. Go

## Executive Director

Mr. Patrick Henry C. Go, 53, has been a Director of JGS since January 17, 2000, and was appointed as Executive Director effective August 1, 2023. He holds the positions of Director and Executive Vice President of Universal Robina Corporation, Director and Chief Executive Officer and President of Merbau Corporation, and Director of Robinsons Land Corporation, Manila Electric Company, Meralco Powergen Corporation, and JG Summit Olefins Corporation. He is a Trustee and Treasurer of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Management from the Ateneo De Manila University and attended the General Management Program at Harvard Business School. Mr. Patrick Henry C. Go is a nephew of Mr. James L. Go.





# Johnson Robert G. Go, Jr.

## Director

Mr. Johnson Robert G. Go, Jr., 59, has been a Director of JGS since August 18, 2005.

He is currently a Director of Universal Robina Corporation, Robinsons Land Corporation, and A. Soriano Corporation. He is a Trustee of the Gokongwei Brothers Foundation, Inc.

He received a Bachelor of Arts degree in Interdisciplinary Studies (Liberal Arts) from the Ateneo de Manila University. He is a nephew of Mr. James L. Go.



LEADERSHIP

# JGS Executive Leadership Council



JG Summit's corporate center units (CCUs) provide strategic guidance and functional leadership to its strategic business units (SBUs), empowering the group to achieve its goals. The CCUs also ensure the maximization of the group's ecosystem, delivery of business results, and organization sustainability.

The Executive Leadership Council (ELC), composed of the CCU heads and SBU CEOs, gathers monthly to discuss high-priority strategic initiatives, facilitate best practices and knowledge sharing across the group, and conduct business performance reviews.





**James L. Go**  
Chairman



**Lance Y. Gokongwei\***  
President and Chief Executive Officer



**Patrick Henry C. Go**  
Executive Director



**Michael P. Liwanag**  
Chief Strategy Officer



**Bach Johann M. Sebastian**  
Senior Adviser, Corporate Finance  
and Strategy



**Maria Celia H. Fernandez-Estavillo**  
Chief Legal Officer and  
Corporate Secretary



**Renato T. Salud**  
Chief Corporate Affairs and  
Sustainability Officer



**Aldrich T. Javellana**  
Senior Vice President and Treasurer



**Lisa Gokongwei-Cheng**  
Chief Digital Officer

\* Effective January 8, 2024, Mr. Frederick D. Go has resigned from his position as President and CEO of Robinsons Land Corporation (“RLC”) due to his appointment as Special Assistant to the President for Investment and Economic Affairs. The board of RLC has likewise appointed Mr. Lance Y. Gokongwei as RLC’s President and CEO.





**Brian M. Go**  
Chief Finance and Risk Officer



**David Gulliver G. Go**  
Chief Human Resources Officer



**Irwin C. Lee**  
President and Chief Executive Officer,  
Universal Robina Corporation



**Frederick D. Go\***  
President and Chief Executive Officer,  
Robinsons Land Corporation



**Michael B. Szucs**  
Chief Executive Officer, Cebu Air, Inc.



**Arnel L. Santos**  
President and Chief Executive Officer,  
JG Summit Olefins Corporation



**Elfren Antonio S. Sarte**  
President and Chief Executive Officer,  
Robinsons Bank Corporation\*\*



**Cindy Deng**  
Chief Executive Officer,  
Data Analytics Ventures, Inc.

\* Effective January 8, 2024, Mr. Frederick D. Go has resigned from his position as President and CEO of Robinsons Land Corporation (“RLC”) due to his appointment as Special Assistant to the President for Investment and Economic Affairs. The board of RLC has likewise appointed Mr. Lance Y. Gokongwei as RLC’s President and CEO.

\*\* Effective January 1, 2024, the Bank of the Philippine Islands (“BPI”) and Robinsons Bank Corporation (“RBank”) have merged with BPI as the surviving entity after securing regulatory approvals.



# Investment Portfolio



INVESTMENT PORTFOLIO

# Corporate Structure





JG Summit Holdings, Inc. (JGS) is one of the most diversified Philippine conglomerates. It is engaged in market-leading businesses in the Philippines and across Asia, serving a rapidly growing middle class with rising disposable incomes. In line with its objective of solidifying its position among the largest business groups in the country, its financial goals are centered on growing its core net income and improving its return on equity. Meanwhile, its non-financial goals are set on achieving satisfactory scores from key ESG raters, delivering high levels of employee engagement, and attaining above-average customer satisfaction scores. Fundamental to reaching its objective is to strategically develop its portfolio, which is comprised of three groups – Strategic Business Units, Ecosystem Plays, and Core Investments – that form a vast ecosystem with synergies that create value for its various stakeholders.



# Strategic Business Units

**Strategic Business Units (SBUs)** are highly independent and majority-owned businesses that provide synergistic opportunities for the group. JGS aims to maximize the potential of these SBUs to generate reasonable returns.



## Food and Beverage

A leading branded snack food and beverage, and agro-industrial and commodity in the Philippines, with a significant and growing presence in the ASEAN region



## Real Estate

One of the leading real estate and property developers in the Philippines, with a proven track record of over 40 years and the second largest REIT in the Philippines



## Air Transportation

The largest carrier in the Philippine air transport industry and a leader in sustainable aviation, flying to over 60 destinations in more than 14 countries.



## Petrochemicals

A pioneer in the Philippine petrochemical industry with the country's largest and only fully integrated petrochemical complex



*The data above reflects JG Summit's stakes as of December 31, 2023.*





# Ecosystem Plays

**Ecosystem Plays** are JG Summit’s nascent businesses in adjacent industries that capitalize on the group’s broad ecosystem to further create value for its shareholders.



### Digital Banking

The group’s digitalbank, established in partnership with Tyme Global, that uses a phygital strategy to serve its customers.



### Technology

A data analytics firm that houses the group’s rewards program and unlocks opportunities by uncovering new consumer patterns and insights



### Technology

JGS’ corporate venture capital arm that looks for sustainable and scalable business models that can create value to the core businesses of the group



In partnership with  
JG SUMMIT HOLDINGS, INC.

### Logistics

Joint venture that aims to provide world-class domestic transport operations in the Philippines, combining the logistics expertise of DHL Supply Chain and market knowledge of JGS



### Infrastructure

A special purpose company established to manage the operations and maintenance of Clark International Airport



*The data above reflects JG Summit’s stakes as of December 31, 2023.*



# Core Investments

JG Summit also has highly liquid minority stakes in its **Core Investments**. These businesses are market leaders that provide steady cash flows through stable dividends as well as capital appreciation.



### Power Distribution

The largest private sector electric distribution utility company in the Philippines with a growing power generation business in the Philippines and in Singapore



### Real Estate

Singapore's first publicly listed property developer with a diverse real estate portfolio in Singapore and in key overseas markets



### Communications

The Philippines' leading and most diversified telecommunications group



### Banking

One of the country's top 3 financial services providers that offers a wide range of financial products and solutions that serve both retail and corporate clients



*The data above reflects JG Summit's stakes as of December 31, 2023, except post-merger stake in BPI effective January 1, 2024.*



**Malaysia**

- 2 Cebu Air Inc.
- 3 Universal Robina Corp.

**Singapore**

- 1 Cebu Air Inc.
- 1 Universal Robina Corp.

**Vietnam**

- 3 Cebu Air Inc.
- 4 Universal Robina Corp.

**United Arab Emirates**

- 1 Cebu Air Inc.

 Cebu Pacific began flights to Danang.

**Indonesia**

- 2 Cebu Air Inc.
- 2 Universal Robina Corp.

**Thailand**

- 1 Cebu Air Inc.
- 6 Universal Robina Corp.

**Taiwan**

- 1 Cebu Air Inc.

**South Korea**

- 2 Cebu Air Inc.

**Japan**

- 5 Cebu Air Inc.

**Macau**

- 1 Cebu Air Inc.

**Hong Kong**

- 2 Cebu Air Inc.
- 1 Universal Robina Corp.

**Australia**

- 2 Cebu Air Inc.

**Myanmar**

- 1 Universal Robina Corp.

**China**

- 6 Cebu Air Inc.
- 2 Universal Robina Corp.

**Cambodia**

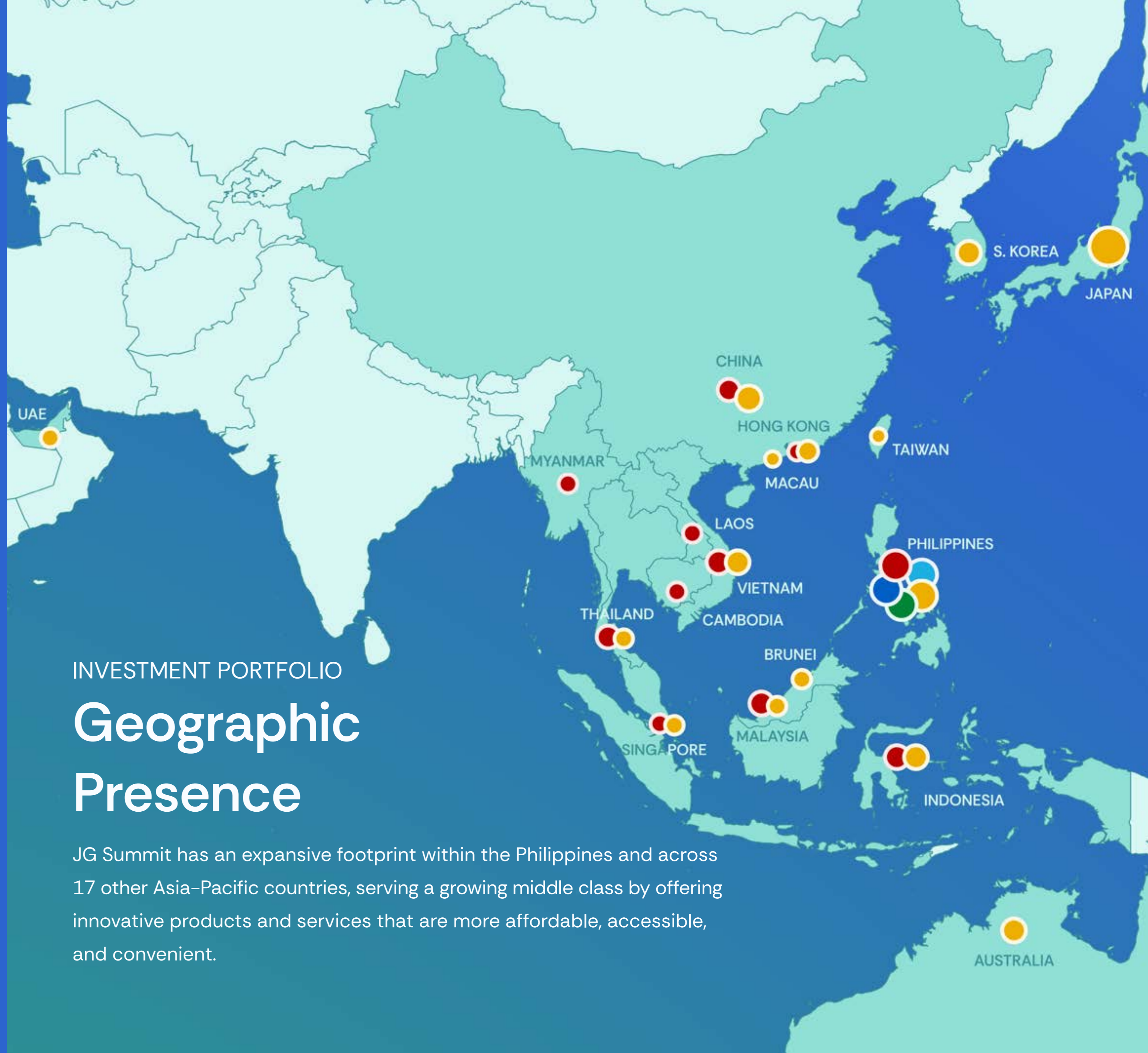
- 1 Universal Robina Corp.

**Brunei**

- 1 Cebu Air Inc.

**Laos**

- 2 Universal Robina Corp.



INVESTMENT PORTFOLIO

# Geographic Presence

JG Summit has an expansive footprint within the Philippines and across 17 other Asia-Pacific countries, serving a growing middle class by offering innovative products and services that are more affordable, accessible, and convenient.



### Philippines

- 261 Robinsons Land Corp.
- 47 Universal Robina Corp.
- 35 Cebu Air Inc.
- 2 JG Summit Olefins Corp.
- 1 JG Summit Holdings



### Luzon

- 12 Cebu Air Inc.
- 34 Universal Robina Corp.
- 197 Robinsons Land Corp.
- 2 JG Summit Olefins Corp.
- 1 JG Summit Holdings



Launched Westin Manila Sonata Hotel, Le Pont, Haraya, Sierra Valley Gardens 4, Springdale Batangas, Calamba 2A, and 1 work.able facility in Cyberscape Omega.



Cebu Pacific restored flights to Laoag.

### Visayas

- 42 Robinsons Land Corp.
- 11 Universal Robina Corp.
- 10 Cebu Air Inc.



Robinsons Land Corp. launched NuStar Mall and Mantawi Residences.

### Mindanao

- 22 Robinsons Land Corp.
- 2 Universal Robina Corp.
- 13 Cebu Air Inc.



INVESTMENT PORTFOLIO

# Strategic Business Units & Investments



Majority-owned businesses that are highly independent and provide synergistic opportunities for the group. JGS continues to boost the potential of these businesses and generate reasonable returns from these investments.





# Universal Robina Corporation

In contrast to the optimism around the pandemic reopening in 2022, 2023 was a more demanding year.. The economic landscape was challenging, as countries faced elevated inflation rates and higher food prices, leading to muted consumer confidence. The commodity basket also showed mixed results, with some raw material prices remaining elevated, while others tapering off from their highs hit in the last three (3) years.

Despite all these difficulties, URC demonstrated growth on the top and bottom lines, delivering on its commitment to expand margins. The company expanded its profitability through key pricing moves, product mix, and significant savings from our Fuel for Growth program. These initiatives allow us to continuously invest in the company, capitalizing on product innovation to maintain a strong portfolio of well-loved high-quality products, delighting Filipinos and the rest of the world with good food choices.

## Irwin C. Lee

President and Chief Executive Officer



## URC continues to invest in building its business

As URC maintains its momentum and carries on its path towards being a sustainable global enterprise, the company continues to reinvest back into its brands, expand capacities, and build capabilities across all its business units. URC has started work in developing key sites in Batangas and Cebu to improve operational efficiencies in its branded business. Design improvements have been incorporated that will optimize operations, reduce production wastage, and lower energy and water consumption. Assets in Quezon and Batangas were also acquired to further build capacity for our Commodities business and expand our presence in other regions.



## Sustainability remains a focus for URC

URC continues to make good progress in its commitment to improve its product portfolio with quality, healthy, and nutritious choices. In 2023, the total URC Wellness Score indicated that 100% of total products passed 1 URC Wellness Criterion, 99% passed 2 URC Wellness Criteria, and 86% passed 3 URC Wellness Criteria.

The company continuously looks for and implements initiatives that would improve energy consumption and efficiency. Since 2019, URC has continued to invest in and roll out solar rooftop installations in the Philippines and across its facilities in ASEAN. In addition, URC uses biomass and biogas as alternative fuel for its boilers to generate steam used in some of its agro-industrial and commodities operations.

URC initiated the Juan Goal for Plastic Program which aims to raise awareness about plastic waste recycling in communities, and reduce waste sent to landfills. With the help of the Gokongwei Group and partnerships with Local Government Units (LGUs), communities, Environment and Natural Resources Offices (ENROs), the company was able to establish over 49 collection hubs in more than 60 communities.



## Cebu Air, Inc.

Cebu Pacific demonstrated a commendable performance in 2023, buoyed by the strong recovery in domestic travel demand and the reopening of most international markets. Key performance indicators approached 2019 levels, marking the airline's return to profitability.

Still, 2023 was not without its challenges. Like other airline operators, CEB was not exempted from global aviation industry issues related to supply chain disruptions, delays in new aircraft deliveries, and reliability issues related to Pratt & Whitney engines. These led to capacity constraints and operational difficulties for the airline.

CEB enhanced its contingency plans to ensure that it continues to provide affordable, safe, and reliable flights. The airline invested in additional aircraft and engines to increase the spare capacity ratio, and aligned network plans to consider more potential aircraft on ground. Customer-first efforts were further improved, even surpassing the requirements outlined in the Air Passenger Bill of Rights.





## Cebu Air, Inc.

Looking ahead, CEB is now taking initiatives to usher in the next stage of its expansion, underpinned by long-term prospects of the Philippine aviation sector including its infrastructure developments to alleviate airport congestion and increase connectivity. The optimistic economic growth outlook for Southeast Asia positions the Philippines at the forefront, further supporting the airline's forward momentum.

With all these, I am glad to highlight how 2023 marks the year when CEB represents the largest ever commitment of any airline into the Philippine aviation industry, as it issued Request for Proposals (RFP) to both Airbus and Boeing for 100 to 150 narrowbody jets. This commitment aligns our shared vision with the government and private airport operators, collectively striving to provide a world-class air transport service to all passengers.

Together, let's soar to greater heights and create lasting value for all.

**Michael B. Szucs**

Chief Executive Officer

## Cebu Pacific propels through industry challenges to serve everyJuan

Entering 2023, Cebu Pacific held a positive outlook on its ability to fully restore services, contributing to our nation's post-pandemic recovery. In fact, the first quarter demonstrated incredible performance as on-time performance or OTP improved month-on-month. However, by March, the airline encountered industry challenges, including issues with the Pratt and Whitney engines, aircraft delivery delays, and supply chain disruptions. Consequently, our network suffered delays and unscheduled cancellations.

Faced with these challenges, CEB proactively addressed external issues through various initiatives:

(1) Enhanced spare aircraft capacity by increasing the spare capacity ratio, reinforcing operational flexibility. This includes securing both brand new and used aircraft, as well as doing damp leases or ACMI (Aircraft, Crew, Maintenance, and Insurance) for certain periods in 2024.

(2) Reductions in flight schedules were implemented to account for long-term AOGs (Aircraft on Ground).

(3) Strengthened customer communication and engagement through improved recovery options and policies, alongside reinforcing customer support teams on the ground and online. This involved the activation of a disruption management team, increased the number of 24/7 live agents and implementation of non-expiring travel funds.

These strategic measures contributed to the improvement of on-time performance (OTP), rebounding from a low of 56.8% in May to an average of 76.2% in Q4. Additionally, the net promoter score rose from its lowest point of -19 in June to an average of +30 in Q4, affirming CEB's commitment to provide quality air travel to everyJuan.

Through these efforts, CEB flew over 140,000 flights and 20.8 million passengers, up 30% and 41% year on year, respectively. On average, its flights were 84% full, with the carrier mounting about 390 daily flights. Despite the challenges posed by fleet availability issues, CEB remained to have the largest network in the Philippines, flying to 60 destinations, though 108 routes and more than 2,700 weekly flights.



It also continued to lead the domestic front capturing 53% of the market following the increase in flight frequencies to popular local destinations, the resumption of routes such as Manila-Laoag, Iloilo-Puerto Princesa, and Iloilo-Cagayan. Similarly, the international footprint continued to broaden with flight resumptions to destinations such as Melbourne, Macau, and Shenzhen from Manila coupled with the restart of flights from Clark, increased flight frequencies from other non-Manila hubs, and launch of a Manila-Danang also contributed to this growth.





## Leading the sustainable path for Philippine aviation



Cebu Pacific solidified its position as a leader in sustainable aviation in the Philippines as it received the Gold rating from the Centre for Asia Pacific Aviation's (CAPA) 2023 CAPA-Envest Global Airline Sustainability Benchmarking Report. EB's performance in reducing carbon emissions, integrating sustainable aviation fuel (SAF), and transparently disclosing sustainability metrics earned the airline a spot among the

top 19 carriers awarded the Gold rating. The distinction given through the report positioned CEB as the highest-rated airline for sustainability in the Philippines and one of the only two low-cost carriers (LCC) in Southeast Asia.

CEB was also recognized as the Most Sustainable Low-Cost Airline in the Philippines by the World Economic Magazine, a US-based publication that spotlights industry disruptors across the global financial marketplace.

In 2023, CEB marked several milestones in its sustainability journey. It received 18 new aircraft, including 15 New Engine Option (NEO) planes, consistently progressing towards its goal of an all-NEO fleet by 2028. Furthermore, the airline implemented fuel efficiency industry best practices and flight plan optimization initiatives resulting in 16.1 million kilograms of fuel savings and carbon emissions reduction of almost 51,000 tCO<sub>2</sub>e.



CEB also made strides in further integrating sustainable aviation fuel (SAF) in its operation. It partnered with Neste Corp. in 2023 to explore SAF supply for future operations. The airline partnered with Neste Corporation to explore SAF supply and purchase in Asia Pacific. Today, Cebu Pacific's supply network already includes Shell Aviation, Itochu Corp., and Neste Corp. It also launched another inaugural SAF powered commercial flight in 2023, this time from Narita/Tokyo to Manila using 40% blended SAF. This added to the very first SAF flight launched by CEB in 2022 from Singapore to Manila. For delivery flights, CEB utilized SAF in nine (9) delivery flights in 2023 from Toulouse, Hamburg, and Tianjin to Manila.

Expanding beyond the decarbonization of its aircraft fleet, CEB made headways in its ongoing efforts to transition its ground operations to the use of electric, zero-emission vehicles and equipment. It welcomed two new electric buses into its airport shuttle fleet at the Ninoy Aquino International Airport (NAIA) as part of the airline's comprehensive electric vehicle (EV) transition program, replacing conventional vehicles with electric zero-emission alternatives. In 2023, the Company also launched EV shuttles for CEB employees and conducted a demonstration run of electric baggage tractors at NAIA Terminals 3 and 4.



# Robinsons Land Corporation

2023 was a testament to our relentless pursuit of excellence, where strong earnings and optimized operations marked RLC's exuberance journey.

As we accelerate our progress, we redefine the landscape, reshaping the future with innovation as our cornerstone, propelling us towards unparalleled heights of success.

**Lance Y. Gokongwei**

Chairman, President, and Chief Executive Officer



## Robinsons Hotels and Resorts expands its world-class offerings



Robinsons Hotels and Resorts (RHR) opened The Westin Manila last March 12, 2023, a luxury high rise hotel in partnership with Marriott Bonvoy. Situated at the heart of Ortigas Center in Mandaluyong City, this is the 26th owned hotel property of RLC with 303 keys. It offers premium hospitality and state-of-the-art facilities to ensure guests of a productive and fulfilling stay.

In Cebu, RHR also opened the NUSTAR Convention Center, the largest of its kind in Visayas and Mindanao that can accommodate approximately 2,000 people along with Fili Café. This gastronomic heaven offers an international array of cuisine with Filipino highlights such as the beloved Cebu Lechon and Huang Di, a specialty Chinese restaurant showcasing the spices of Szechuan to the delicate artistry of northern cuisine.

These new additions to RHR's portfolio further strengthened its presence across the Philippines, accelerating its progress towards becoming the Philippines' biggest and best hotel group with the widest variety of formats and brands and most diverse geographic reach. These also supported RHR's accolades, as it was named as the "Best Operational Hospitality Portfolio" in the 11th PropertyGuru Philippines Property Awards. Meanwhile, Fili Hotel Cebu bagged the "Best Hotel Development", "Best Hotel Interior Design", and "Best Hotel Architectural Design" awards at the same event.



## RLC Residences hits record-high sales and launches new flagship projects



RLC Residences has set a record in 2023 for both its gross and net sales. With an increase of 20% on Gross, and 26% on Net vs its 2022 performance, these results were driven by shifting to address the consumer needs within the premium segment, driving improvements on customer experience, and building a brand with higher equity.

Continuing RLC’s mission to develop vibrant, beautiful, and lasting real estate developments, RLC launched two (2) flagship projects.

Le Pont Residences is a two-tower premium development that promises to bridge its investors to their best lives, by offering elevated high-rise living with hyper-sized amenities while being in a Destination Estate—Bridgetowne. Launched in January 2023, the project has significantly reflected capital appreciation in less than a year. In Cebu, RLC Residences launched Mantawi Residences in April 2023—its first premium development in the emerging area of Mandaue City. Boasting an impressive 1.3 hectares of hyper-sized amenities, with premium retail offerings at the ground level, Mantawi is at the frontier of progress in Cebu.





## Robinsons Offices' First Farm in the Sky

As a developer of premium, sustainable, and future-ready offices, Robinsons Offices launched its first "sky farm" last October 10, 2023. Located in Cyberscape Alpha in Ortigas, this collaboration with FarmTop aims to reshape the future by addressing food insecurity, employee well-being, and sustainability through rooftop hydroponic farming. Following the "farm-to-plate" concept, vegetables are grown closer to where they are consumed, minimizing the carbon footprint that traditional farm-to-market routes entail. This initiative also demonstrates Robinsons Offices' dedication to the well-being of its employees by providing its workforce with access to fresh produce.





# JG Summit Olefins Corporation

JGSOC aims to be the linchpin of manufacturing, propelling the Philippine economy forward. We are passionate in our drive to excel in science, technology, and engineering, integral to the nation's progress. We are committed to uplifting communities, ensuring a substantial and positive influence on the well-being, health, and happiness of the Philippines. We are an organization dedicated to the well-being of all employees.

JGSOC's purpose powered our resilience in 2023. The year proved to be challenging marked by the extended unforgiving conditions with unprecedented weak margins and market volatility. Notwithstanding the organization persevered, safely started up the plant following the commercial shutdown in the best part of the first half of 2023, and wasted no time in urgently improving operational and commercial performance. Safety Above All Else underpinned the organization's drive forward.





# JG Summit Olefins Corporation

JGSOC launched Sarimanok, a massive organizational transformation in October 2023, underpinned by the following strategic pillars: Accelerated Commercial Excellence, Disciplined Operational Excellence, and an Integrated People Plan. The aim is to transform the organization's capability to deliver and sustain top-quartile operational performance, eliminate waste, and deliver value uplift.

JGSOC ended 2023 with ZERO Lost Time Injury, an overall solid operational performance, captured material incremental value, and with the progress of the Sarimanok transformation on the plan.

## **Arnel L. Santos**

President and Chief Executive Officer

## JGSOC offers innovative petrochemical products and solutions

In 2023, JGSOC started commissioning its third polyethylene (PE) plant, a 250 KTA MarTECH™ Advanced Dual Loop (ADL) slurry PE manufacturing facility licensed by Chevron Phillips Chemical. The technology can produce bimodal and metallocene PE grades that are tougher than commodity PE. The said toughness opens significant material and carbon footprint reduction opportunities to JGSOC's converter customers.

JGSOC paves the road for continuous innovation of petrochemical products and provides solutions to address client's needs and requirements. JGSOC's two (2) EVALENE PLUS® random copolymer polypropylene (PP) injection molding grades were certified by UL Solutions, a third-party global safety science company, through their Environmental Claim Validation (ECV) program. Using these certified grades allows 10% energy savings during the injection molding process for the production of items such as storage containers and tote boxes, housewares, and other rigid packaging.





## Agile transformation yields efficiencies and cost savings



In 2023, JGSOC's Agile Center of Excellence (Agile CoE) spearheaded 29 impactful projects, with a keen focus on safety, health, environment, work process enhancement, and cost savings. These initiatives yielded 18 projects contributing to a total savings of PHP 103.1 million for the year. The Agile CoE aims to help the organization identify areas where value can be captured early, by generating profits and savings, cutting losses, improving efficiency, unlocking hidden potentials, developing a responsive culture on solving problems, and transforming JGSOC culture to adopt Agile working methods.

Some exemplary Agile projects are the *My PET Project* and the *Run and Change Operating Model*.

The *My PET Project* aims to empower every JGSOC employee to share their innovative ideas through a collaborative platform. With over 80 proposals received, 22 projects have been implemented, resulting in significant savings of PHP 43.3 million. Notable projects include the Reduction of Frequency of Laboratory Analysis, Scrap Pellet Minimization and Recovery, and Air Compressor Power Optimization.

On the other hand, the *Run and Change Operating Model* envisions striking a balance between ongoing operations and the imperative for continuous improvement and innovation. Initially piloted in the Utilities and Offsite Facilities Department, the Run and Change model has since been expanded to PE/PP Manufacturing and the Packaging Department. The projects under Run and Change have contributed PHP 4.5 million in savings, including initiatives like Variable Cost Optimization, Reduction of C3 Degassing Vent to Flare, and Water Systems Management.



## Sustainability efforts continued throughout the year



In 2023, JGSOC's One Million Trees Project reached an important milestone as it planted and distributed 596,901 indigenous and fruit-bearing tree seedlings in Batangas province and to various government agencies, civic groups, schools, and employee volunteers. Launched in 2016, One Million Trees aims to contribute to the greening and reforestation of areas where these are needed.

Additionally, Phase 2 comprising 8 MW of Merbau Corporation's 13.8 MW Solar Rooftop project was completed in April 2023, which supplies solar energy to the petrochemical complex. The project aims to offset

the sourcing of power from the national grid and in-house diesel generators with renewable energy and reduce greenhouse gas emissions by up to 17,000 metric tons of equivalent CO<sub>2</sub> per annum.

Furthermore, JGSOC and DENR have extended their partnership for the continued preservation and rehabilitation of Wetland No. 8, a 1.8-hectare swamp and marshland located in Boracay Island, Aklan, in November 2023. This partnership covers the maintenance of the project's tree nursery, the organization of regular tree-planting activities, the repair and reinforcement of existing perimeter fences, and the installation of markers and signage about the importance and benefits of wetlands on the environment.

JGSOC, in partnership with DENR EMB, has taken a significant step towards monitoring and improving air quality in Batangas City by donating a Continuous Ambient Air Quality Monitoring Station (CAAMS) unit in July 2023. The monitoring station provides continuous and real-time measurement of Particulate Matter (PM<sub>10</sub>) concentration and other air pollutants. This real-time data will be invaluable for assessing air quality in Batangas City and taking necessary actions to address any environmental concerns.



INVESTMENT PORTFOLIO

# Ecosystem Plays



**Synergistic new plays that capitalize on JG Summit's broad ecosystem and enable the strategic business units through their different specialized services.**





# GoTyme Bank Corporation

As we designed GoTyme Bank, our research repeatedly showed that Filipino customers want more from their bank. From the painful experience of opening an account, to the high fees, low rewards, low interest rates, and poor digital experiences, we felt a big market gap. We set out to fill that gap by delighting customers through a banking experience that is simple, beautiful and rewarding.

In 2023, our first full year of operation, we were pleasantly surprised to learn we had significantly underestimated the pent-up demand for an upgraded banking experience. In 2023 we grew from 200K customers to over 2 million customers and attracted over PHP10B in deposits. Today, we already hold several top rankings among banks to including #7 in Instapay (EFT) transactions, #4 in active Visa cards, #4 in monthly active app users, and top 3 in both Google Play and Apple app stores.

While these numbers are exciting, we are just getting started. In 2024, we plan to launch lending and investments and products while continuing to deliver the beautiful transaction and savings banking experience that our customers have grown to love and trust.

## Nathaniel (Nate) Clarke

President and Chief Executive Officer

## GoTyme's stellar progress

In its first full year of operations in 2023, GoTyme Bank not only met but surpassed all financial targets, driven predominantly by robust customer acquisition and widespread product adoption. A significant milestone was achieved in August 2023, reaching 1 million customers, which doubled to 2 million before end-December 2023. This was made possible with its unique “phygital” model that seamlessly blends the convenience of digital technology and human-led touchpoints in its operations.

The success experienced can be attributed to the synergies fostered within the group's ecosystem. Leveraging this ecosystem, the Bank has successfully delivered products with the support of over 1,000 Bank Ambassadors and 420 Mobile Kiosks strategically deployed in the outlets of Robinsons Retail Holdings (RRHI), one of GoTyme's shareholders.

This collaborative effort has resulted in onboarding 250,000 customers monthly since October, with 60% coming from Robinsons Retail stores. In just one year of full-scale operations, GoTyme Bank has rapidly become the preferred payment mode within the RRHI ecosystem, challenging and rivaling other payment options.



## Plans to reshape the future



Looking ahead to 2024, the Bank aims to accelerate its momentum by onboarding over 5 million customers and launching lending and investment products. This initiative underscores the Bank's commitment to democratizing high-quality banking for all Filipinos.

Furthermore, it plans to foster more collaboration and synergies across different Business Units within the group to maximize digital adoption and create additional value for the Group's customers. This strategic approach positions GoTyme Bank at the forefront of innovation and ensures continued growth and success in our mission to transform the financial landscape for Filipinos.



# Data Analytics Ventures, Inc.

We've continued to make significant strides in creating a loyalty program that delivers on rewarding experiences and harnessing data to fuel business growth. We've not only accelerated the growth of our member base, but also unlocked the true potential of data, accelerating our journey towards innovation.

**Cindy Deng**

Chief Executive Officer



## Go Rewards Credit Card Launch



The Go Rewards Credit Card, launched last June in partnership with UnionBank of the Philippines (UBP), has proven to be a catalyst for cultivating customer loyalty and satisfaction by offering exclusive benefits, rewards, and aspirational experiences. This has, in turn, expanded and deepened the Go Rewards member base and strengthened brand affinity and advocacy.

Looking ahead, DAVI remains committed to driving continued growth and innovation through this partnership. The company will continue to harness data-driven insights, technological advancements, and customer feedback further to enhance the value proposition of the co-branded credit card. As DAVI enters the next phase of this collaborative journey, the partnership with UBP is poised to fuel continued success, paving the way for the achievement of new milestones in the years ahead. This collaboration is instrumental in shaping the future of financial products and empowering individuals to attain their financial goals.



## Go Rewards App Revamp



Over the past year, there have been noteworthy strides in advancing and refining the Go Rewards mobile app. Key features, including enhanced navigation, improved points tracking, membership status monitoring, and customizable homepage, have been instrumental in this progress. This resulted in improved user engagement with users frequently checking their points balance and transaction history, and an uptick in members that actively monitor their membership status. These indicators reflect increased user motivation and loyalty.

DAVI looks forward to further elevating the Go Rewards mobile app. This will be achieved through ongoing iterations driven by user feedback, the introduction of innovative with new features, and utilizing advanced personalization to boost user engagement and foster loyalty. With a focus on user experience and rewards deals, DAVI is well-positioned to continue driving growth and delivering value to its users in the years to come.



## Data Solutions: Precision Marketing



As the data analytics arm of the group, DAVI extends advanced data solutions to its internal and external clients, including Precision Marketing. Traditionally, the success of marketing campaigns was gauged within specific timeframes, posing challenges in measuring sustaining impact of marketing activities. DAVI addressed this by recognizing the significance of Customer Lifetime Value, emphasizing the cultivation and sustenance of shopper loyalty. This led to the development of an “always on” approach, shifting the focus to

longer-term metrics that track shoppers over an extended period, providing a comprehensive understanding of the campaign’s enduring impact. In tandem with this shift in campaign design, DAVI also introduced complementary data solutions to offer enhanced insights during campaign execution.

Throughout the second half of 2023, DAVI executed several “Always On” campaigns with various clients resulting in a positive transformation in clients’ mindsets and approaches. The outcomes not only delivered tangible results that clients could reinvest in but also contributed to the development of further innovations slated for roll out in 2024.

This evolution from a tactical to a strategic initiative is pivotal in meeting both clients’ and internal stakeholders’ business objectives and revenue expectations. This shift enables DAVI to streamline and standardize processes, thereby increasing capacity to handle more campaigns and clients simultaneously. Moreover, it facilitates the utilization and amplification loyalty data paving the way for additional data solutions.



# JG Digital Equity Ventures, Inc.

With market conditions remaining challenging during the year, JGDEV once again took a more measured approach in deploying capital in 2023. The fund focused primarily on supporting key portfolio companies with strategic follow-on investments, allowing investees to fortify themselves for future growth.

JGDEV continues to be excited by the innovations being made by founders and start-ups in emergent sectors across the region. With initial deployments already made from our second fund during the year, we believe that our disciplined approach will allow us to identify and invest in transformative companies with the potential to help drive the Group's digital transformation.

**Lance Y. Gokongwei**

Chairman & President





## Second fund sees first deployment in 2023

JGDEV approved 2 initial investments and 3 follow-on investments during the year, including the first deployment from DEV Fund II. Across the two DEV funds, JGDEV is now managing a portfolio of 14 start-ups and 6 fund investments.

Deal flow and assessments remained strong, growing by over 25% in 2023. Although the proportion of deals that reached screening grew year-on-year, approved deals once again declined given the fund's tighter investment criteria, driven by challenging market conditions.



## Follow-on rounds and higher valuations for investee companies



In 2023, JGDEV participated in the following notable follow-on rounds for its investees, which also increased the valuations for these companies.

- Tyme, a multi-country digital banking group, raised \$77.8mn in pre-Series C funding in 2023. Tyme Bank, the group's flagship bank in South Africa, achieved profitability during the year, while GoTyme Bank, a joint-venture with the Group, managed to sign up 2mn customers in the Philippines in just 14 months of operation.
- Etaily, an end-to-end e-commerce enabler, raised \$17.8mn in Series A funding, led by SKS Capital and Pavilion Capital
- Zuzu, a revenue-management platform for independent hotels, raised a \$9mn Series B round led by Softbank Ventures Asia





# DHL Summit Solutions Inc.

2023 was a year of stabilization and expansion for DHL Summit Solutions, bouncing back from a challenging first half of the year to still deliver strong operational results, highlighted by the deployment of DHL branded trucks, as well as the addition of 4 new customers during the year. The continued partnership with our base customers Universal Robina Corporation (URC) and Robinsons Retail Holdings, Inc. (RRHI), the expansion of our services beyond Luzon, and continuous investments in technology will undoubtedly accelerate growth in the coming years and pave the way for DSSI to realize its potential to be the leading transport provider and innovator in the Philippines.

**Joseph Nathaniel (Jojit) Aguilar**

Country Managing Director



## Improving operations throughout the year



DSSI continued on its mission to offer best-in-class transportation and distribution solutions to businesses across different sectors as it worked on improving its services throughout 2023. The logistics services provider launched initiatives to build a more robust trucking capacity in line with customer growth and onboarding of new businesses. This led to the increase in its fleet by 5% year-on-year to 1,192 trucks, and had more than 244,000 trips for the year an 8% increase from 2022.

## Expanding DSSI's customer base



As a result of these efforts to increase capacity, DSSI saw the addition of 4 new clients in 2023 as it expanded from its initial customers, URC and various business units under RRHI, to cater to its first external clients. Moving forward, DSSI looks to onboard more customers and integrate innovations to provide better services.





# Luzon International Premiere Airport Development Corporation

We are immensely proud of what LIPAD has achieved in 2023. This is an achievement, and a testament to the collective efforts of an incredible team of individuals who have stayed true and committed to the company through challenges that we faced in the past couple of years. We are grateful for the opportunity to show how much CRK has grown and progressed to, and for fostering an environment that encourages innovation, creativity, and dedication.

**Noel Manankil**

Chief Executive Officer

## Flying to new heights



In 2023, Clark International Airport (CRK) achieved remarkable growth, with nearly 2 million passengers choosing the ease and convenience that CRK offers. This marks a substantial increase of 160% against 2022 numbers. Five new airlines, one local and four international carriers, commenced air services in Clark and 14 new destinations have been added marking an impressive network expansion at CRK. Throughout the year, the airport facilitated a total of 14,867 flights and ended the year with eleven international and ten domestic flights.

CRK is officially listed as one of the world's most beautiful airports and a Prix Versailles Laureate with the World Architecture and Design Award at UNESCO.

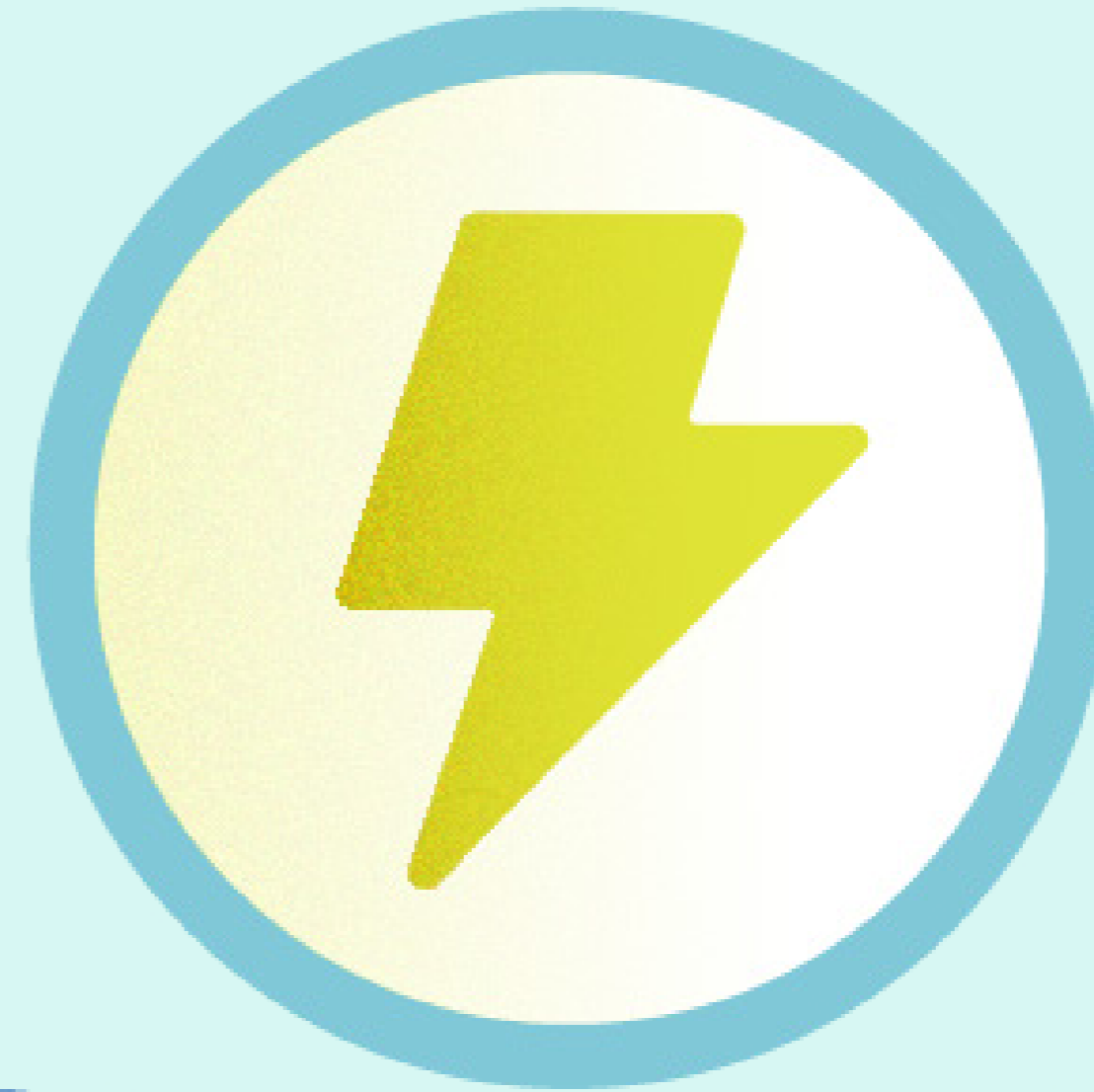
CRK is also the pilot model for GARD (Get Airports Ready for Disaster Program)– a joint program of The Philippine Disaster Resilience Foundation (PDRF), United Nations Development Programme (UNDP), and the Deutsche Post DHL Group.

Delivering a memorable customer experience is one of CRK's top priorities. CRK is subscribed to Airport Council International's (ACI) ACI World's globally recognized Airport Service Quality (ASQ) program in order to effectively measure and improve passenger satisfaction, business performance, and airport service quality.



INVESTMENT PORTFOLIO

# Core Investments



Highly liquid minority-owned businesses that provide stable dividends to JG Summit. The conglomerate intends to maximize these investments by taking advantage of the steady cash flows and capital appreciation these provide.





# Bank of the Philippine Islands

**Bank of the Philippine Islands (BPI)** is s JG Summit's newest core investment, a strategic decision resulting from BPI's merger with Robinsons Bank, with BPI as the surviving entity. This merger was the outcome of JG Summit'sS meticulous review of strategic options, demonstrating our commitment to making informed and beneficial decisions for our stakeholders. We determined that merging with a top bank like BPI would be the best route for our continued involvement in the banking industry. Through the merger, JG Summit effectively owns 3.6% of the bank.

BPI is the first bank in the Southeast Asian region and is currently one of the top 3 banks in the Philippines. It is recognized as a leading provider of financial services and an industry pillar in the country, operating for more than 170 years. Among the services it offers are consumer banking and lending, asset management, payments, insurance, securities brokerage and distribution, foreign exchange, leasing, and corporate and investment banking.

**Dividends**  
received\* in 2023

**₱0.6B**

*\*Dividends received from RBank by virtue of the merger agreement with BPI*

**Equity Stake**

**3.6%**



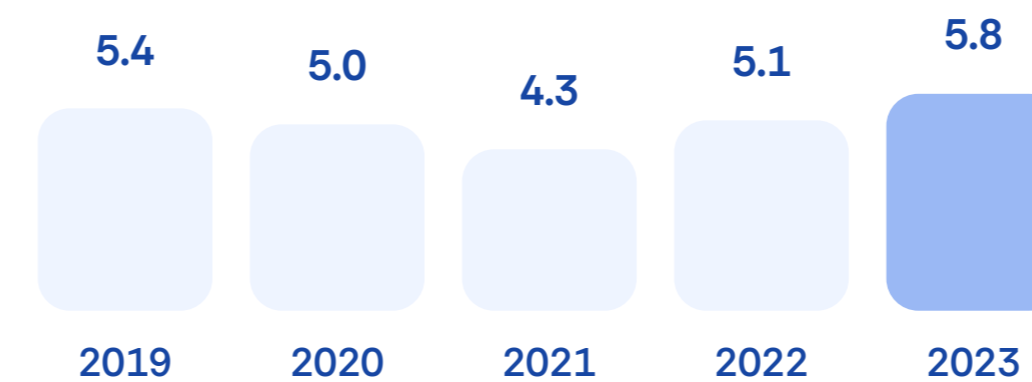
# Manila Electric Company

**Manila Electric Company (Meralco)** is the Philippines' largest electric power distribution company and celebrated its 120th year of service in 2023. It has a franchise area covering 9,685 km<sup>2</sup>, providing power to over 7.8 million customer accounts in 38 cities and 73 municipalities that account for 55% of the electricity output of the Philippines in only 3% of the country's total land area.

## Dividends

paid to JG Summit

in Php billion



## Equity Stake

# 26.4%

## Market Value

of JGS' stake

# ₱118.6B

as of Dec. 29, 2023

## Share in Net Income

# ₱9.8B

26% increase vs last year



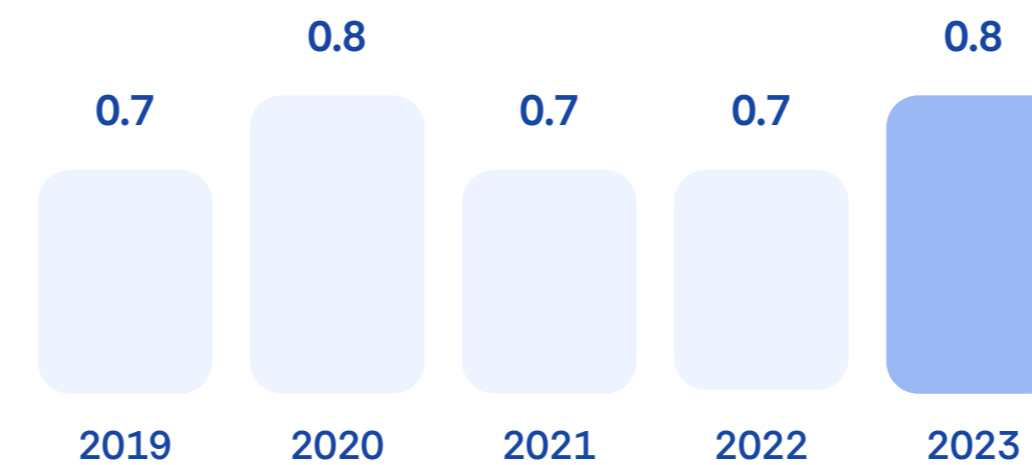


# Singapore Land Group Ltd.

**Singapore Land Group Limited (SingLand)** is a premier real estate company listed on the Singapore stock exchange since 1971. Its diverse real estate portfolio includes commercial offices, residential and retail properties, and hotels, with a large footprint in Singapore and key overseas markets. Among its prominent property developments are Singapore Land Tower, Clifford Centre, and Marina Square, which form part of the company's 2.7 million square feet of office space and 1 million square feet of retail space.

## Dividends

paid to JG Summit  
in Php billion



## Equity Stake

# 37.0%

## Market Value

of JGS' stake

# ₱44.0B

as of Dec. 29, 2023

## Share in Net Income

# ₱2.5B

15% decrease vs last year



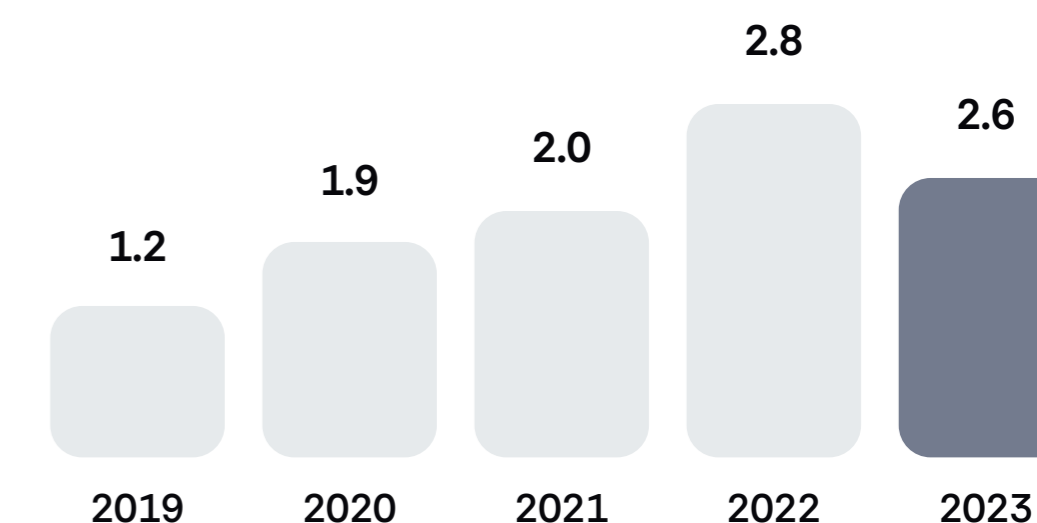
PLDT Inc.

**PLDT, Inc. (PLDT)** is an integrated telecommunications service provider in the Philippines and the market leader in the Philippine broadband space, operating the most extensive fiber optic backbone, fixed line, and cellular network in the country. It offers wireless services marketed under the “Smart”, “TNT”, and “Sun Cellular” brands and fixed line services marketed under “PLDT HOME” and “PLDT ENTERPRISE”. Its common shares are traded on the Philippine Stock Exchange, while its American Depositary Shares are traded on the New York Stock Exchange.

### Dividends

paid to JG Summit

*in Php billion*



### Equity Stake

**11.3%**

### Market Value

of JGS' stake

**₱31.1B**

*as of Dec. 29, 2023*



# Strategic Enablers



STRATEGIC ENABLERS

# Leadership and People Development





As one of JG Summit's strategic enablers, initiatives that cultivate Leadership and People Development are regularly done to build and sustain a talent bench and pool of top leaders, and ensure employee engagement.



## Leaders' Conferences

Organized various conferences to strengthen enablement of skills based on the cohort's function:



CHRO Conference held last March 30-31



CRO Conference held last June 26



OCFRO Conference held last July 24



## Executive Development Program

Implemented the Executive Development Program to over 150 graduates:



### EVOLVE (35 leaders)

Module 1: The Intrapreneur

Module 2: The Performance Catalyst

Module 3: The People Inspirer

Module 4: The Business Quest Reveal

Module 5: Graduation & Showcase



### ADVANCE (35 leaders)

Module 1: Me and My Leadership

Module 2: Me and My Team and Talents

Module 3: Me and My Business

Module 4: Graduation & Showcase



### INSPIRE (35-47 leaders)

Module 1: Commercializing Data Analytics Catapult

Module 2: Talent to Value Catapult



### Executive Coaching (20 leaders)

Culmination of Executive Coaching Cohort 1 Center for Creative Leadership

Launching to Midpoint Implementation of Exec Coaching Program Center for Creative Leadership

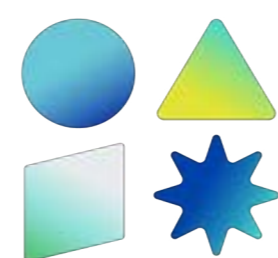




## Individual Development Plan

The Individual Development Plan is a tool to help employees identify career goals, both in the short and long term, along with actions the employee can take to achieve these.

The Individual Development Plans (IDPs) of CCU Employees were successfully implemented and completed. With a KPI of 75%, CCU adoption exceeded this target at 81% compliance and 210 employees who submitted their IDPs.



## Craft Café

Opportunities for people’s continuous growth and development were identified for more focused efforts on the following opportunities:

★ Self-directed learning

★ IDP-anchored programs

★ Career advancement

★ Continuous skills improvement

These opportunities are then translated into the learning framework which captures the JGS learning programs and ensure that JG Summit’s priority areas are continuously strengthened, which are as follows:

★ Enhance essential skills

★ Build a high-performance culture

★ Develop future-oriented capabilities

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.



## LinkedIn Learning

- Ensure continuity and reinforcement of leadership learning via the online platform that can also help support self-directed learning.
- 2023 Target average learning hours per person per year of 1.5 was exceeded by an achievement of 1.63 learning hours for 2023; there was an average monthly growth rate of 23%
- Unique viewers greatly increased by 186 in December
- Total viewed hours by December is a record breaking 372.12 hours



Leaders of the conglomerate during an Executive Development Program session



# Initiatives by our Strategic Business Units



## New Leaders Program

Launched an 8-module program designed to equip new People Leaders with the necessary tools and mindset to become effective



## Learning Management System

Launched a new platform where employees can access more than 500,000 artefacts (videos, podcasts, readings) from reputable sources to allow self-paced learning and development of employees





## RLC's Total Well-Being Program

RLC's Total Well-Being Program was recognized by DOH's Healthy Pilipinas Awards for Partners 2023. It received a bronze award in recognition of its outstanding contributions and dedication to promote a healthy Philippines.



## RHR Academy

Robinsons Hotels and Resorts (RHR) established an in-house official training arm called RHR Academy. This operationalizes a culture of continuous learning across all homegrown hotel brands nationwide. Through empowered local trainers, new hires are welcomed, equipped, and set up for success to move up to leadership positions within the organization.



## Sky CAMP

Cabin Services Management Trainee Qualified (MTQ) Program

- **Batch 1** – 9 cabin crew successfully completed the program and are now confirmed as Team Managers effective October
- **Batch 2** – 6 cabin crew undergoing 6-month training/coaching/mentoring, and is expected to complete the program by March 2024

Engineering Development Program

- **Batch 1** – 12 cadets successfully graduated from the program last December 15
- **Batch 2** – 13 cadets undergoing 1-year apprenticeship program and will finish the program by July 2024



## CEB University

CEB University offers 3 schools – Values, Performance, and Leadership – which covers various programs that would help the holistic development of CEB’s talents. A total of 29,522 training hours were provided to 3,437 learners or 85% of population. Among critical talents, 89% of the total pool were trained with a total of 2,280 hours.





## Foundations of Leadership Program

This program aims for employees with team leader and supervisory roles to learn the fundamentals of leadership effectiveness to create a high-performing climate for the team, and how to use an appropriate mix of leadership styles, using a blended learning methodology. There were two (2) sessions conducted in 2023.



## Accelerate Program for Emerging Leaders

This program is designed to support the leadership development of current and potential leaders through purposeful and targeted learning activities, focusing on key competencies that matter in accelerating growth and potential. There were two (2) batches of sessions conducted in 2023.



## Agile Project on Career Pathways

This Agile project of HR is designed for Technicians up to Panel Engineers in Manufacturing and is aimed towards optimizing talent development through lattice career pathways, through skill certifications and competency assessments. In 2023, there were 9 departments covered, five (5) of which have been completed and implemented while four (4) are still ongoing.



## Cross-border knowledge and best practice sharing

GoTyme believes that disrupting the banking industry requires a team with diverse backgrounds, demographics and thought. Hence, it provides its employees the ability to collaborate with cross-border teams in South Africa (Tyme Bank SA) and Vietnam (Tyme X) to learn, share and adopt global-best practices. Beyond leveraging technology for ease of knowledge transfer, immersion in the markets themselves provides a unique opportunity for the team to deeply understand the business and its customers.



## Exchange with the MIT's Sloan School of Management

GoTyme Bank hosted students from the Massachusetts Institute of Technology (MIT) Sloan School of Management's Global Entrepreneurship Lab (G-Lab) for a project centered around the integration of generative AI to improve customer activity and retention. The program aims to provide GoTyme employees with a chance to gain insight from new perspectives along with exploring AI-related opportunities.





## Driving a compelling culture through transparency and engagement

GoTyme Bank places a strong emphasis on transparency as one of its core values, recognizing that collaboration and knowledge-sharing are essential to drive the right culture.

To facilitate this, the Bank hosts weekly All-Hands meetings every Monday, along with daily ShowTyme sessions, where employees are informed on company updates, market trends, and key priorities. Additionally, the bank's weekly talent show featuring new hires has become a highly anticipated event, adding a touch of excitement and camaraderie to Monday gatherings.



## Nurturing employee professional growth and wellness

GoTyme Bank has partnered with MindNation and Maxicare to provide employees access to healthcare, well-being coaches/nutritionist/financial planners, virtual fitness programs, wellness webinars and more. The Bank also provides self-directed training opportunities for its employees to bolster their professional growth through external learning avenues. This initiative is designed to assist employees in tackling fresh challenges and acquiring new skills.



## Agile Development through Design Thinking Workshops

By cultivating leaders and embracing technological innovations, DAVI is not just adapting to change but leading it.



## Leadership Development: Cultivating Leaders

Throughout the year, DAVI enrolled its high potential leaders in tailored executive development programs designed to enhance their strategic thinking, communication skills, and emotional intelligence.



## Staying on Top of Technological Trends – Generative AI Hackathon

In a world driven by technological advancements, staying at the forefront is non-negotiable. Hence, DAVI embraced a proactive approach through its participation in the conglomerate-wide Generative AI Hackathon which provided a platform for its teams to immerse themselves in the transformative potential of Generative AI. Its cross-functional teams push the boundaries of creativity and problem solving and rose to the occasion to win second place in the hackathon competition.





## Upskilling and Enriching a Lean Team

As there are no major changes in team composition, the team continued to be lean by further utilizing group and ecosystem partners to source promising early-stage deals within the region. The priority focused on upskilling and enriching existing roles through formal training, active participation in start-up events, and networking opportunities.

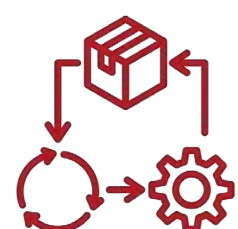




in partnership with



JG SUMMIT HOLDINGS, INC.



## Certified Supply Chain Specialist (CSCS)

Through CSCS, DSSI develops a culture of personal commitment to its business, customers, and colleagues, defined by its three essential behaviors – Right First Time, Can Do and Passion. This is how DSSI will become The Supply Chain Solutions Company for the World and remain an essential part of everyday life.

*\*\*The program became mandatory training for all new hires within the first 6 months as an initiative to embed the company’s culture. It also aims to reduce attrition among new hires.*



## Certified Supply Chain Manager

The Successful 21st Century Manager module develops DSSI Managers who are inspired and capable of providing the 21st Century leadership that drives the highest levels of performance. It helps our Managers understand how we deliver results without compromising on respect and aims to make us fit for the future to achieve our vision to be The Supply Chain Solutions Company for the world. This course was a mandatory training to all team leaders and managers.





in partnership with



JG SUMMIT  
HOLDINGS, INC.



## Implementation of LEADS (Leadership Evaluation, Achievement, Development and Succession Cycle)

LEADS aims to develop our people through holistic feedback for each individual by bringing together evaluation of past performance along with recommendations for future development perspectives and succession planning on an annual basis.



## Introduction of Inclusive Leadership Program

DSSI is committed to being an inclusive organization for all. It sees the importance of its employees feeling at home, as well as feeling valued and respected by colleagues. Therefore, line managers also follow the Certified Inclusive Leadership Program, which aims to raise the awareness of all line managers, address prejudices and improve inclusive leadership skills. This is part of ensuring that DEIB (Diversity, Equity, Inclusivity and Belongingness) is being practiced across the organization.



## Building Airport Community Relationships

LIPAD build relationships within its airport community, ensuring that its employees are equipped with the right customer service skills and all passenger-facing employees of its airport partners, such as government agencies, ground handlers, concessionaires, and service contractors.



STRATEGIC ENABLERS

# Digital Transformation and Customer Centricity



**JG Summit Digital Transformation & Corporate Services  
to continues to champion customer-centricity as it pursues  
opportunities for value creation within our ecosystem.**





## Promoting customer-inspired innovation

An initiative of JG Summit Digital Transformation Office (DTO) with Data Analytics Ventures, Inc. (DAVI) boosted the Go Rewards homepage reach and frequency by almost 40%.



## Use of data and technology to increase productivity and business results

The JG Summit DTO created an app analytics dashboard for DAVI to foster data access. The dashboard has since saved the business 240 minutes a month.



## Developing digital fluency in the conglomerate through in-house programs

In 2023, JG Summit DTO produced the fourth and fifth seasons of the Launchbox accelerator program. Through action learning with actual business challenges, learners accelerated value delivery by prototyping, testing, and producing results.



Launchbox Graduation

JG Summit DTO's e-learning courses increased the reach of DTO programs so that conglomerate learners can learn anytime, anywhere. In 2023, JG Summit DTO developed these asynchronous foundational modules: Agile for Everyone, Digital Marketing 101, and Design Thinking 101.





## Accelerating automations using new technologies



OpenAI Hackathon DAVI presentation

JG Summit Digital Transformation & Corporate Services and Microsoft conducted an Open AI hackathon in 2023. Participants explored low-code tools, familiarized themselves with generative AI and its applications, and delivered nine (9) prototypes that address business challenges. JG Summit Corporate IT, in partnership with URC and Aspen, has implemented one of the hackathon prototypes to expand HR self-service to URC plants.



## Achieving operational excellence

- Various automation initiatives for financial consolidation, timekeeping and payroll, employee benefit administration, and employee account setup saved over 5,000 hours per month in 2023.
- With the implementation of cloud email security and managed detection and response, cybersecurity rating is now at A.



## Creating a culture of customer-first

- The SAP One URC Enterprise (SOURCE) go-live, supported by JG Summit Corporate IT, significantly improved invoice turnaround time, readiness to pay, and supplier satisfaction rating.
- JG Summit Corporate IT completed the rollout of Universal Robina Corporation's online time and attendance management tool to 17 Branded Consumer Foods Group plants and 9 Sugar and Renewables plants. Employees can use the SimpliTime tool through kiosks deployed in convenient locations around the plants.
- The initial results of JG Summit Corporate IT's employee offboarding solution for Corporate Center Units, Robinsons Land Corporation, and Aspen Business Solutions, Inc. yielded a 68% improvement in exit turnaround time.



# Initiatives by our Strategic Business Units



Developed the **URC Command Center** with 40 live dashboards available on mobile, laptop, desktop, accessible to users for better data-driven decision making. The project won the International Data Corporation's (IDC) Best in Future Intelligence for the Philippines.




Launched **16 digital projects** across the four vectors of:

 Smart Factory

 Employee Experience

 Consumer Connect

 Sales/E-commerce





Installed **self-check in kiosks** in all operating Summit and Go Hotels properties



Launched a **leasing website** for RLC Residences that serves as a platform for both renters and investors to connect with those who are in search of new living spaces in prime locations, as well as entrepreneurs and business owners who are looking to expand their retail and commercial spaces



Enhanced its **digital self-service channels**, providing more features, improving ease of use, and increase digital adoption. It also improved its **Customer Flexible Option Policies** to provide a better disruption experience to passengers.



Implemented CEB Help Center and improved Charlie the Chatbot to lessen wait times and resolve customer concerns faster





Focused its digitization strategy on instituting **best-in-class transformative solutions** to enable manufacturing efficiency, business process improvements, and the robustness of its online systems and infrastructure



Integrated its **IT infrastructure and digital solutions** with **Project Sarimanok** – a business transformation initiative of JGSOC to deliver the business back to profitability; despite operating in an extremely competitive and unforgiving environment, the JGSOC IT Department obtained 19,000 manhour savings and 3.6M cost savings/avoidance in 2023



Applied the following initiatives and activities through **JGSOC's IT Department:**

- 100% network and server availability in all JGSOC facilities
- Harnessing data analytics to improve the productivity of internal business processes, such as the executive dashboard, Market and Product Development (MPD) importation dashboard, maintenance reliability dashboard, and logistics daily dispatch dashboard
- Automation of HR processes, such as ethics hotline, shuttle service trip ticket, staff house online reservation, and exit clearance app





Deployed **420 mobile kiosks and 1,000 Bank Ambassadors** nationwide, allowing customers to open a GoTyme Bank account and get their personalized Visa debit card in under 5 minutes



Introduced **Roboto** to the public during its **GoHuman Bank campaign** launch last October 2023, symbolizing the Bank's commitment to providing the best customer service and premium banking to its customers



Introduced its **proprietary AI tool for employees**, called GoPilot, harnessing the capabilities of ChatGPT within its enterprise framework to enhance productivity in responding to customer inquiries and generating content



Held the **Go Rewards Warehouse Sale** in November and December at Robinsons Magnolia and Robinsons Antipolo respectively, standing as a testament to DAVI's dedication to delivering rewarding experiences and exclusive benefits to its valued Go Rewards members



Introduced **Design Thinking workshops** as a cornerstone of its people development and operational strategy to ensure that its solutions are not just data-driven but resonate with the specific requirements of the business' clients





Continued to help drive the digital transformation of the conglomerate by **investing in start-ups with strong strategic relevance** to the group, including exploring newer sectors and technologies that have the potential to disrupt key group businesses



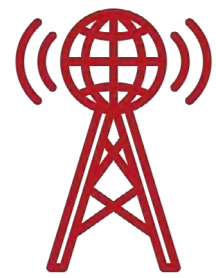
Worked closely with the start-ups in its portfolio to **monitor the status of ongoing projects** with the Group. It plans to regularly engage with key Group SBUs and subject-matter experts to understand potential pain points better



in partnership with



JG SUMMIT HOLDINGS, INC.



Integrated the **Cisco Software-Define Wide Area Network (SDWAN)** for DSSI's Connected Control Tower, making it more resilient. This enabled a more redundant auto-failover network using multiple links of 2x Internet Protocol Virtual Private Network (IP/VPN) and 2x Dedicated Internet Access (DIA)



Implemented **ServiceNow Hardware Asset Management (HAM)**, enabling the organization to track and manage the physical assets within its IT infrastructure



**Migrated to Oracle OneCloud Financials**, a comprehensive, integrated, and scalable financial management solution that can help streamline processes, reduce errors, and improve efficiency





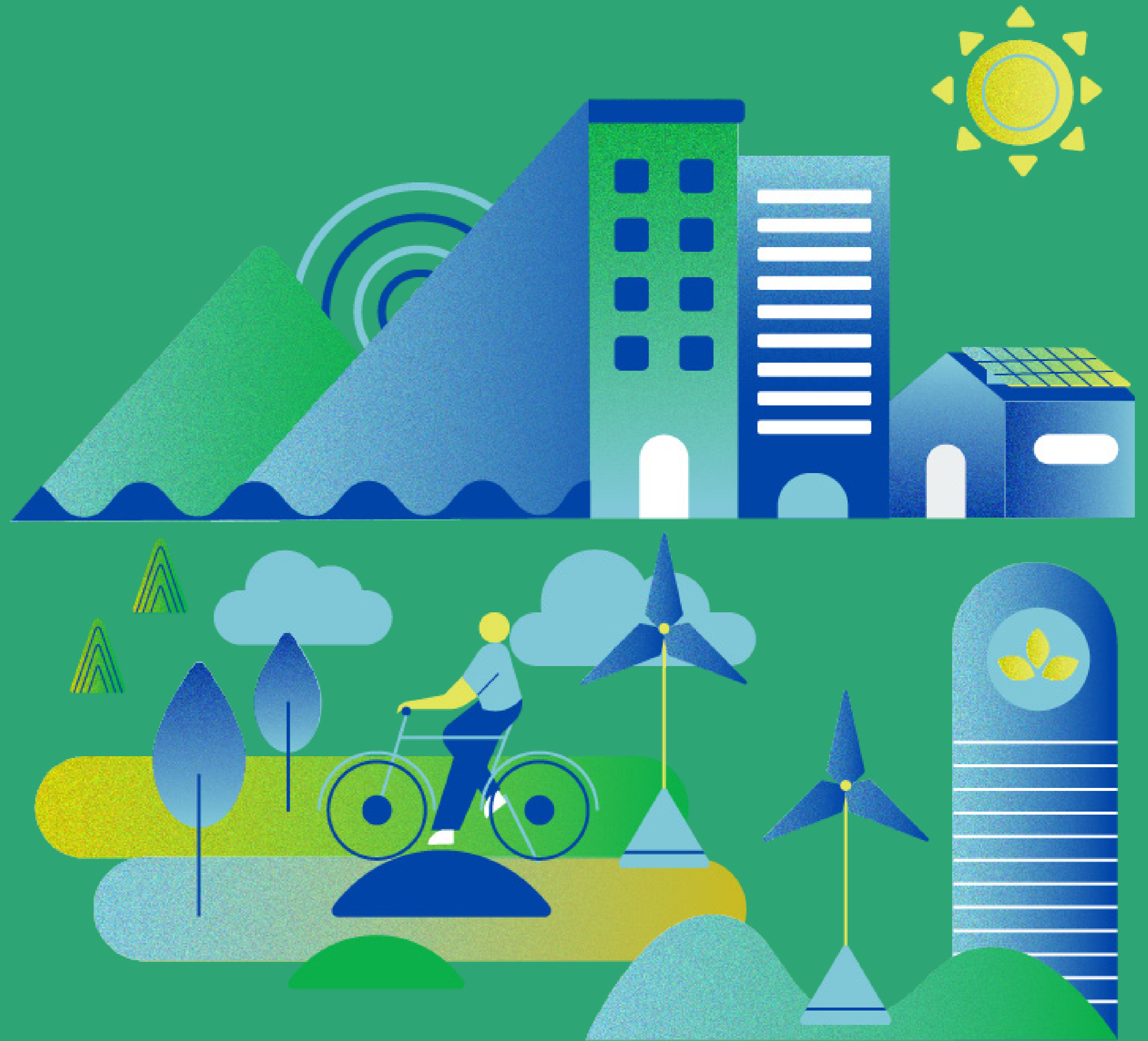
Implemented **shared training and sustainability efforts** to maximize the learning and experience among LIPAD employees and help **improve CRK's customer survey scores**, which is part of a minimum performance requirement needed to operate efficiently and at the best capacity

# Sustainability





# 2023 Sustainability Report



# Our Path to Sustainability



# 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 toward 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 reinforce 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.

2018



- SBU Sustainability organizations formed and trained on Global Reporting Initiative Standards



- URC released its inaugural Sustainability Report

2019



- SBU adopted five-year sustainability-integrated strategy
- RLC and CEB released their inaugural Sustainability Report

2021



- ERM integration of sustainability risks
- Governance and Sustainability Committee at Board Level established

2020



- JGS published its inaugural Sustainability Report aligned to SEC guidelines and GRI standards



2022



- Enrichment sessions on Climate Change for CEOs and Senior Leaderships
- Initial alignment to Taskforce on Climate-related disclosures released

2023



- JGS ESG targets released
- Climate Resilience project (Climate Scenario Analysis) initiated across strategic business units

2024

- Adoption of International Financial Reporting Standards (IFRS) initiated
  - **S1** – General Requirements for Disclosure of Sustainability-related Financial Information
  - **S2** – Climate-related Disclosures
- Transition Roadmap Development



# Our Signature Initiatives

## Fostering ecosystem collaborations for impact

JGS, in collaboration with Robinsons Retail Holdings (RRHI), implements 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 also 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, JGS 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 a total of 159 collection hubs in our malls, stores, and 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 JGS 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 JGS’s collaborative efforts and the positive partnerships it has forged with external organizations to solve the plastic waste issue.

**49**

Additional Collection Hubs in JGS and RRHI Facilities

Total Collection Hubs since 2022: 159 sites



**11**

Partner Schools



**2**

Partner Diverters



**66**

Partner LGU/Communities







## Food Rescue

### Channeling Surplus Edible Food Towards Alleviating Hunger

JGS 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 JGS, 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 JGS 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.

# 38,810 KGS

## Food Rescued and Donated



# 163,000

## Meals Served to Communities



# 98,187 kgCO<sub>2</sub>e

## Carbon Emission Reduced







## Juan Commitment

### Partnering with Employees in Cultivating Social Impact

For over 30 years, JGS has been committed to Filipinos, and 2023 is no different. The group has launched a new initiative called #JuanCommitment – the JGS 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 JGS'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 Php20,000 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 Php2.3 million pesos worth of donations, including the ones given by the GBF.

With all these results and impacts 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.

**50**

Partner Schools



**2.33 MPHP**

Cash Donation  
Received



**1,016**

Employee Volunteers  
Involved



**3,727**

Volunteer Hours





# Our Material Topics

# Stakeholder Engagement

## Keeping our focus on the 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 a 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

# Investors and Shareholders

## MATERIAL CONCERNS

- Financial growth and profitability
- Ethical standards for governance and business conduct
- Commitment and targets to social and environmental responsibility, especially on Climate Change

## MODES OF ENGAGEMENT

- Result briefings through Quarterly and Annual Reports
- Annual stockholder meetings
- Disclosures to the Philippine Stock Exchange and other pertinent agencies
- Meetings with investors
- Oversight of the Board through its Governance, Nomination, Remuneration and Sustainability Committee (GNRSC)
- Correspondence with ESG rating agencies (e.g., CDP, Sustainalytics, MSCI)

## RESPONSE

- Continuous development of business strategy to improve financial and operational performance
- Compliance with laws and regulations
- Adherence to good governance principles
- Incorporation of sustainability to business strategy
- Enhanced sustainability disclosure to include strategy to reach targets along with milestones
- Communication of received feedback to top management through Executive Leadership Council (ELC) meetings to further incorporate sustainability into business strategy



# Employees

## MATERIAL CONCERNS

- Competitive compensation and benefits
- Frequent career conversations between employees and their managers
- Exposure to career advancement opportunities
- Positive work culture is driven by purpose, values, and community

## MODES OF ENGAGEMENT

- Town hall meetings
- Open dialogues
- Pulse Employee Engagement Survey

## RESPONSE

- Continuous benchmarking to ensure up to date provision of competitive salaries, benefits, and employee growth initiatives such as formal training and e-training
- Strong partnership between HR and leadership on employees' performance management and development
- Setting of town hall meetings and other avenues for employee communication
- Adherence to good labor practices and workplace standards
- Purpose and values-driven initiatives to strengthen group identity, engagement and community

# Suppliers and Service Providers

## MATERIAL CONCERNS

- Lasting business commitments
- Complying to the sustainable policies of JGS
- Timely payment

## MODES OF ENGAGEMENT

- Vendor audits
- Open line communication

## RESPONSE

- Execution of purchasing ethics, strategic purchasing, and supplier relationship management
- Strict implementation of Supplier Accreditation Policy
- Practice of due diligence in processing liabilities



# Regulators and Government Bodies

## MATERIAL CONCERNS

- Legal compliance with laws and regulations
- Comments and improvements on legislative proposals
- Partnership in social and environmental responsibility
- Feedback and suggestions on existing policies, laws, and regulations affecting our other stakeholders

## MODES OF ENGAGEMENT

- Annual and Sustainability Reports
- Statement of compliance
- Licenses to operate
- Position Papers
- Corporate social responsibility programs
- Association and/or community engagement with discussion regarding policies, laws, and regulations affecting the association members and/or communities

## RESPONSE

- Compliance with laws and regulations
- Submission of official position papers on legislative proposals
- Implementation of initiatives to support government programs (e.g., Lingkod Pinoy Centers and tree planting)
- Drafting and submission of feedback and suggestions for and on behalf of the Association and/or community

# Communities

## MATERIAL CONCERNS

- Community engagement and development
- Responsible environmental management

## MODES OF ENGAGEMENT

- Corporate social responsibility programs
- Environmental compliance programs

## RESPONSE

- Continuous development and design of projects and programs that respond to community needs
- Compliance with environmental standards



# Customer of SBUs

## MATERIAL CONCERNS

- Product quality
- Health and safety
- Marketing and labeling
- Data Privacy

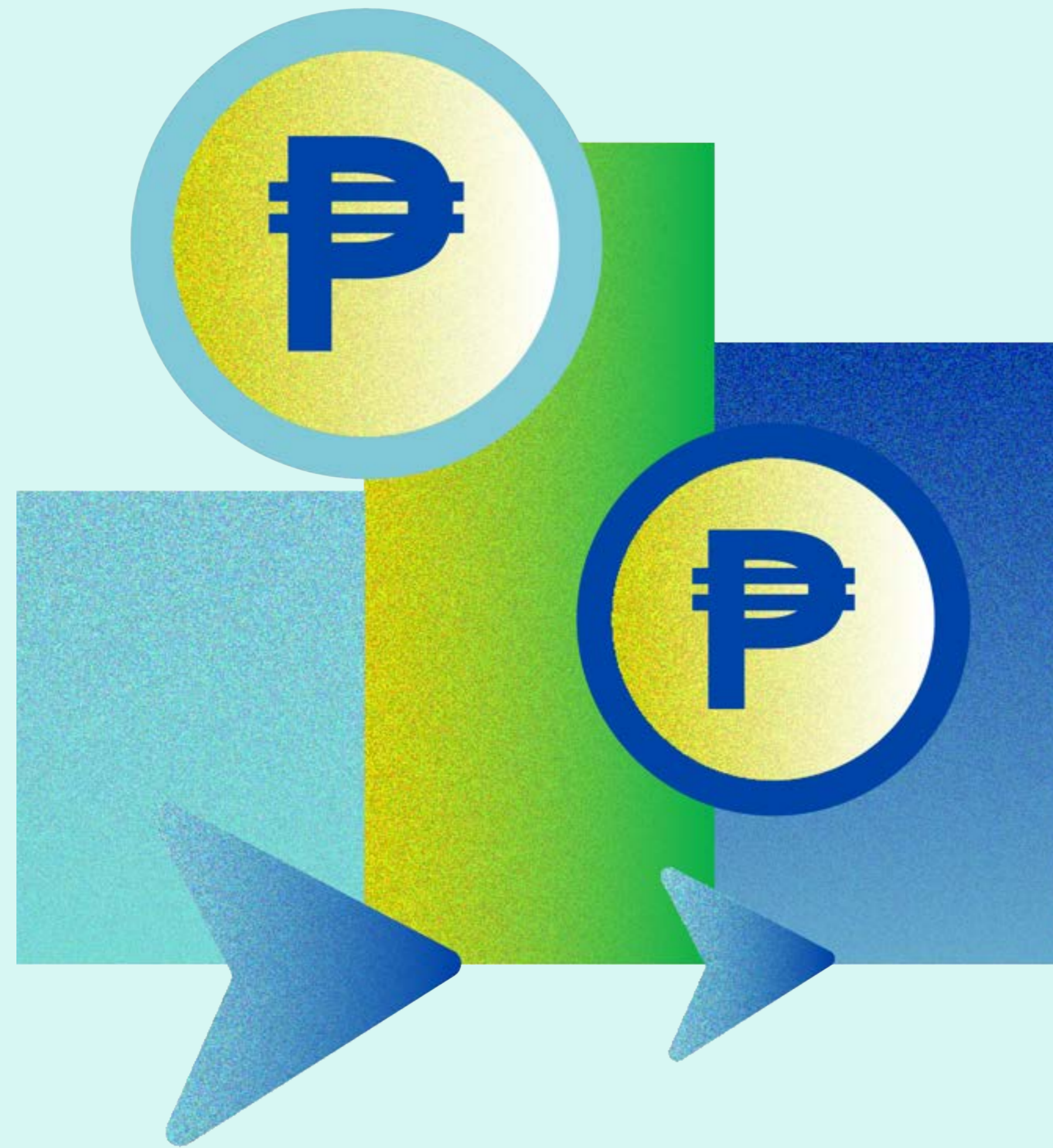
## MODES OF ENGAGEMENT

- Open Communication channels
- Customer Satisfaction Survey

## RESPONSE

- Quality assurance for products and services of each SBU
- Implementation of environmental, safety, and quality standards and assurance systems
- Proper marketing and labeling for product content, usage, and service inclusions
- Enhanced JGS-wide information security system to prevent any data leak and security breach

# Our Investor Engagement Process



JGS 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 is in turn, communicated to top management through its monthly Executive Leadership Council (ELC) meetings, which are 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, JGS 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. JGS recognizes that these factors continue to evolve, and the company monitors such by constantly engaging with the capital markets and 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 in 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 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.

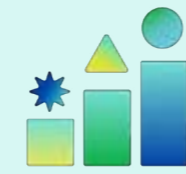


In 2022, we embarked on refreshing our materiality and developed our ESG targets as described in the process below:



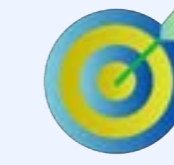
### Enhancement of our ERM

- We enhanced our Enterprise Risk Management (ERM) process to better capture sustainability risk drivers and megatrends.
- Each strategic business unit identified, assessed, prioritized, and built risk responses on their identified top risks.
- JGS, then consolidated all SBU top risks.
- Appropriate risk responses are set in place for each JGS top risks, with an established risk governance structure.



### Strengthen our Materiality

- Each business reviewed the materiality and scanned which sustainable development issues they are best positioned to tackle while also generating business value.
- We prioritizes sustainability issues based on set criteria and defined a set of actions that are most strategic for the SBUs to implement.
- The identified contribution of each businesses shape the development our group-wide ambitions.
- In 2022, we also set an engagement with investors to understand their view of sustainability as we accelerate our initiative to set-long term targets.



### Identification of Targets and Strategic Actions

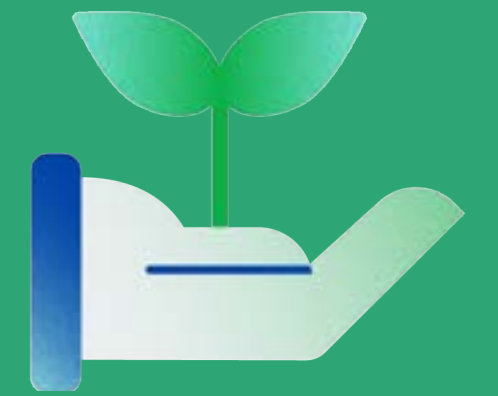
- The strategic actions identified by each of our businesses were consolidated and aligned to the group's five (5) focus areas. Our goal is to have collaborative action towards group wide ambition.
- The proposed targets of each business unit are presented and approved by the highest governing body of each of the subsidiaries.
- Through the establishment of JGS's Governance, Nomination, Remuneration and Sustainability Committee (GNRSC), formerly Corporate Governance and Sustainability Committee, we strengthethe integration of sustainability in our board level decision-making which includes the setting of targets.



# **Our Progress towards our ESG Targets**

# Climate Action

We will ensure a low-carbon transition for our businesses and strengthen our climate-related risk management.



## TARGET

### Major hotspots<sup>1</sup> are assessed and managed on climate risk by 2030

#### KEY ACTIONS

##### Resilience (Climate Adaptation):

- **2023** – Initiate Scenario Analysis in selected JGS hotspots<sup>1</sup> (Metro Manila, Batangas City)
- **2024/2025** – Continue Scenario Analysis in hotspots<sup>1</sup>
- **2030** – Complete remaining hotspots<sup>1</sup>

#### 2023 PROGRESS

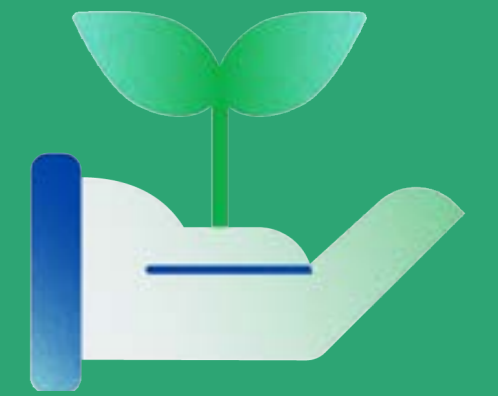
- Climate Hazard Assessment of 292 sites across JGS and RRHI included the modeling of top hazards: Typhoon cyclone, flooding, extreme heat, and sea-level rise. Heat maps are available to show the low to high-risk location per hazard.
- We initiated facility-level Climate Scenario Analysis for identified sites in Metro Manila and Batangas City.

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



# Climate Action

We will ensure a low-carbon transition for our businesses and strengthen our climate-related risk management.



## TARGET

**Low carbon transition roadmap released by 2025, as we aspire to achieve net zero by 2050**

## KEY ACTIONS

### Low Carbon Transition (Climate Mitigation):

- **2023** – Alignment to Science-Based Targets Initiative (SBTi)
- **2024** – Evaluate our carbon reduction initiatives and offset opportunities
- **2025** – Explore carbon removal technologies and business models

## 2023 PROGRESS

- A 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.
- CEB revisited its progress towards Science Based Targets. All SBUs evaluated alternative renewable energy sources.

## Resource Efficiency & Circularity

We optimize our use of natural resources and foster circularity in all our businesses.



### TARGET

## Plastic neutrality by 2030<sup>2</sup>

### KEY ACTIONS

**Circularity: Post Consumer Plastic wastes across the group are fully recovered and diverted**

- **2023** – 20% of plastic waste footprint
- **2024** – 40% of plastic waste footprint
- **2025** – 50% of plastic waste footprint
- **2030** – 100% of plastic waste footprint

<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

### 2023 PROGRESS

- JGS 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.



## Employee Growth & Well-being

We nurture our people by investing in their growth and well-being.



### TARGET

## Zero lost-time incident annually

### KEY ACTIONS

**Continue Safety initiatives and monitoring of safety incidents**

### 2023 PROGRESS

- 26% decrease from 66 to 49 Lost time incidents

### TARGET

## JGS Employees receive an average of 24 training hours annually per employee

### KEY ACTIONS

**Continue provision of online and face-to-face trainings for all JGS employees**

### 2023 PROGRESS

- Average of 21 training hours per employee in 2023

## Shared Success

We continually grow and invest in our business as we enable our people and partners to grow with us.



### TARGET

**All major vendors are aligned and comply with JGS key ESG practices by 2025**

### KEY ACTIONS

**All key partners and vendors are assessed on ESG risks**

- **2023:** Relevant supplier ESG risk parameters are identified
- **2024:** All key suppliers go through the assessment process

### 2023 PROGRESS

- 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.
- Sustainability overview delivered to engage Procurement Officers from various business units to initiate collaboration with suppliers.



## Better Choices

We innovate for more accesible and responsive products and services to offer better choices to Filipinos and enable them to live the life they want for themselves.



### TARGET

#### For URC (*updated target*), by 2030

100% passing 3 wellness criteria (BCF PH and INTL)

### KEY ACTIONS

**The group will continue to offer better choices through healthier and nutritious food**

### 2023 PROGRESS

- Total URC Wellness Score for 2023 using updated criteria showed 86% passed 3 URC Wellness Criteria

### TARGET

#### For RLC

100% of new office buildings in Metro Manila will be GREEN Certified starting 2021

### KEY ACTIONS

**The group will continue to offer better choices through greener buildings**

### 2023 PROGRESS

- 6 new Metro Manila Buildings are Green Certified

## Better Choices

We innovate for more accessible and responsive products and services to offer better choices to Filipinos and enable them to live the life they want for themselves.



### TARGET

#### For CEB

34 million passengers, 100 routes and 50 destinations,  
39 million seat capacity by 2026

### KEY ACTIONS

**The group will continue to offer better choices through affordable and accessible flight options.**

### 2023 PROGRESS

- 20.9 million passengers; 104 routes (68 Domestic, 36 International); 60 destinations (35 Domestic, 25 International); 24.8 million seat capacity

### TARGET

#### For JGSOC

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

### KEY ACTIONS

**The group will continue to offer better choices through innovative petrochemical products.**

### 2023 PROGRESS

- Our operations can now produce bimodal and metallocene PE grades that are tougher than commodity PE.
- 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.

# Our Approach to Managing Climate Risks

Incorporating climate risk management seamlessly



# Our journey towards climate action

Over the past years, JGS 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.)

2019



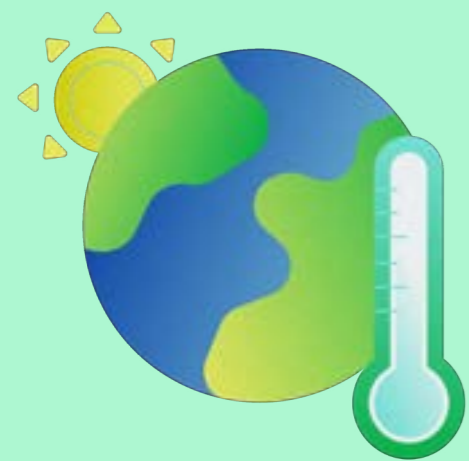
- SBU adopted five-year sustainability-integrated strategy

2020



- JGS published its inaugural Sustainability Report aligned to SEC guidelines and GRI Standards

2023



- JGS ESG targets released
- Climate Resilience project (Climate Scenario Analysis) initiated across strategic business units

2022



- Enrichment sessions on Climate Change for CEOs and Senior Leaderships

2021



- ERM integration of sustainability risks
- Governance and Sustainability Committee at Board Level established

# Our approach and strategy in climate resilience

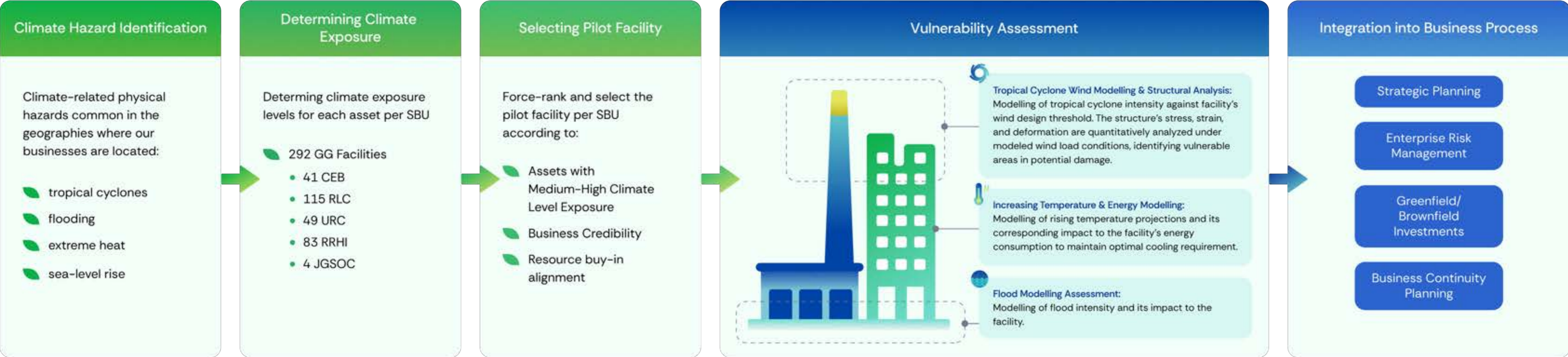
Situated in an archipelagic region prone to tropical cyclones, our businesses face such inherent climate hazards. Intense tropical cyclones, flooding, and rising temperatures could adversely impact our assets, operations, and workforce. As a foundational step in our climate strategy, we have identified 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 replicate across our portfolio of critical operational assets and 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.



# Climate Hazard Identification

Figure 1: Overview of our Climate Resilience Assessment Process



# Climate Hazard Identification

Climate-related physical hazards common in the geographies where our businesses are located:

-  tropical cyclones
-  flooding
-  extreme heat
-  sea-level rise

## 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.



# Climate Hazard Identification

IPCC's Representative Concentration Pathways (RCP) 8.5 and 4.5 were selected for our analysis. RCP 8.5 represents a high emission scenario, indicating a future where greenhouse gas emissions continue to rise rapidly, resulting 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.



# Climate Hazard Identification

## B. Using the Right Climate Models and Tools

We applied available physical climate-risk models that the current advancements in climate science from peer-reviewed scientific studies and are 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 the 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.

# Determining Climate Exposure

Determining climate exposure levels for each asset per SBU

- 292 GG Facilities
  - 41 CEB
  - 115 RLC
  - 49 URC
  - 83 RRHI
  - 4 JGSOC

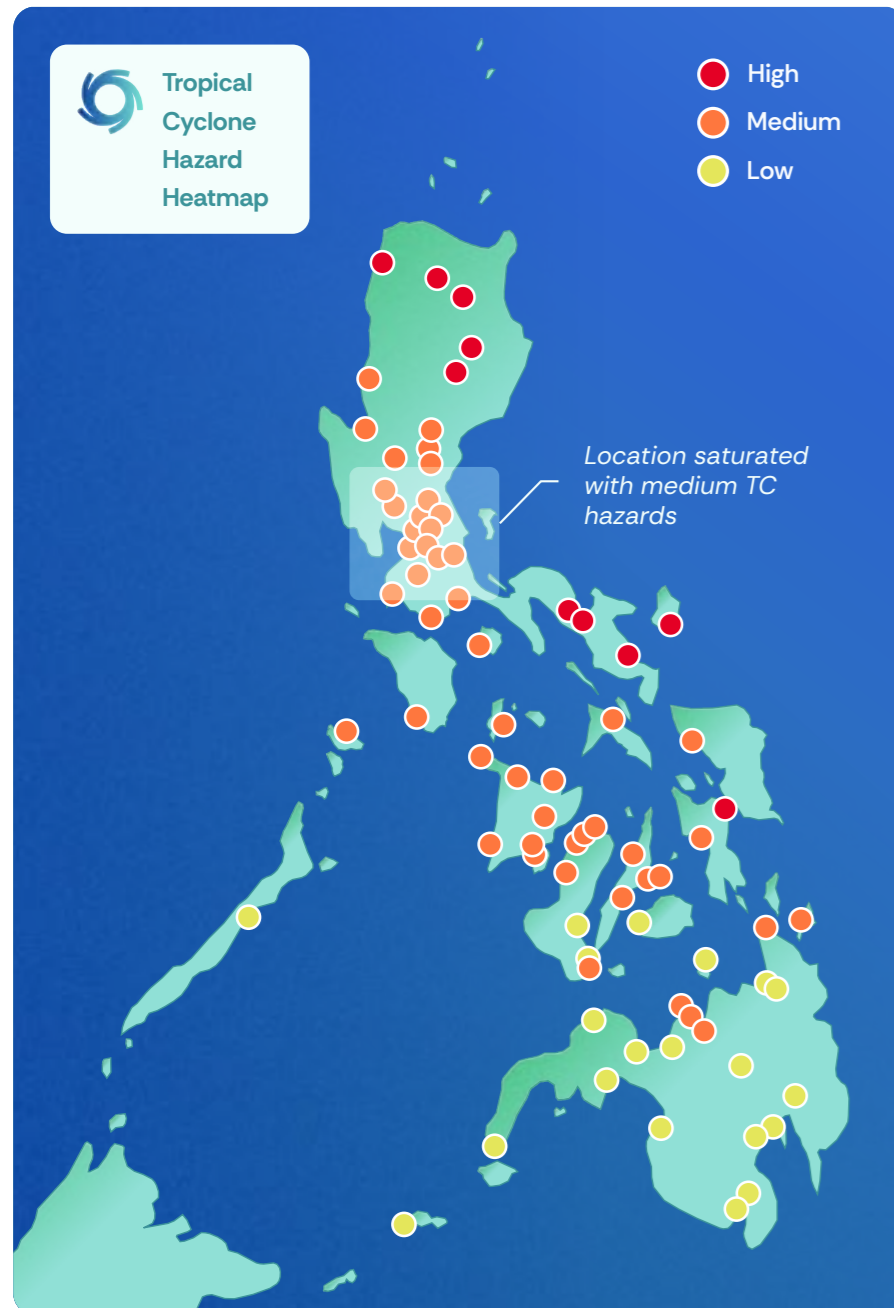
## C. Mapping and assessing climate hazard exposure levels across our facilities

As a first step in ensuring the long-term resilience of our operations, we conducted a comprehensive climate hazard exposure assessment across RRHI and JGS 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.



# Determining Climate Exposure

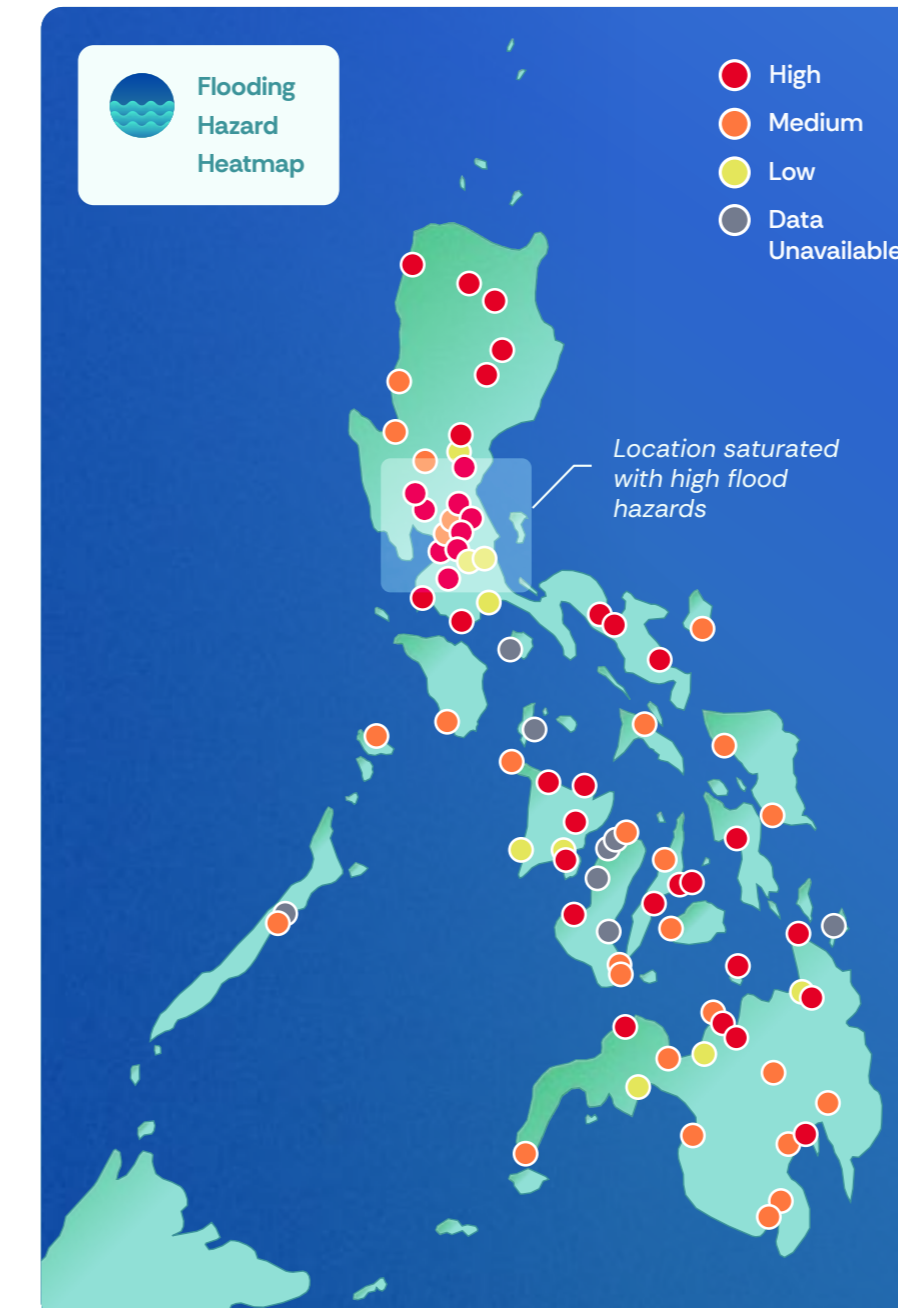


## Tropical Cyclones

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 in low exposure to TCs.

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

Hazard Level	Facility Count
High	18 (8%)
Medium	193 (79%)
Low	33 (13%)
<b>Total</b>	<b>245</b>



## Flooding

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

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

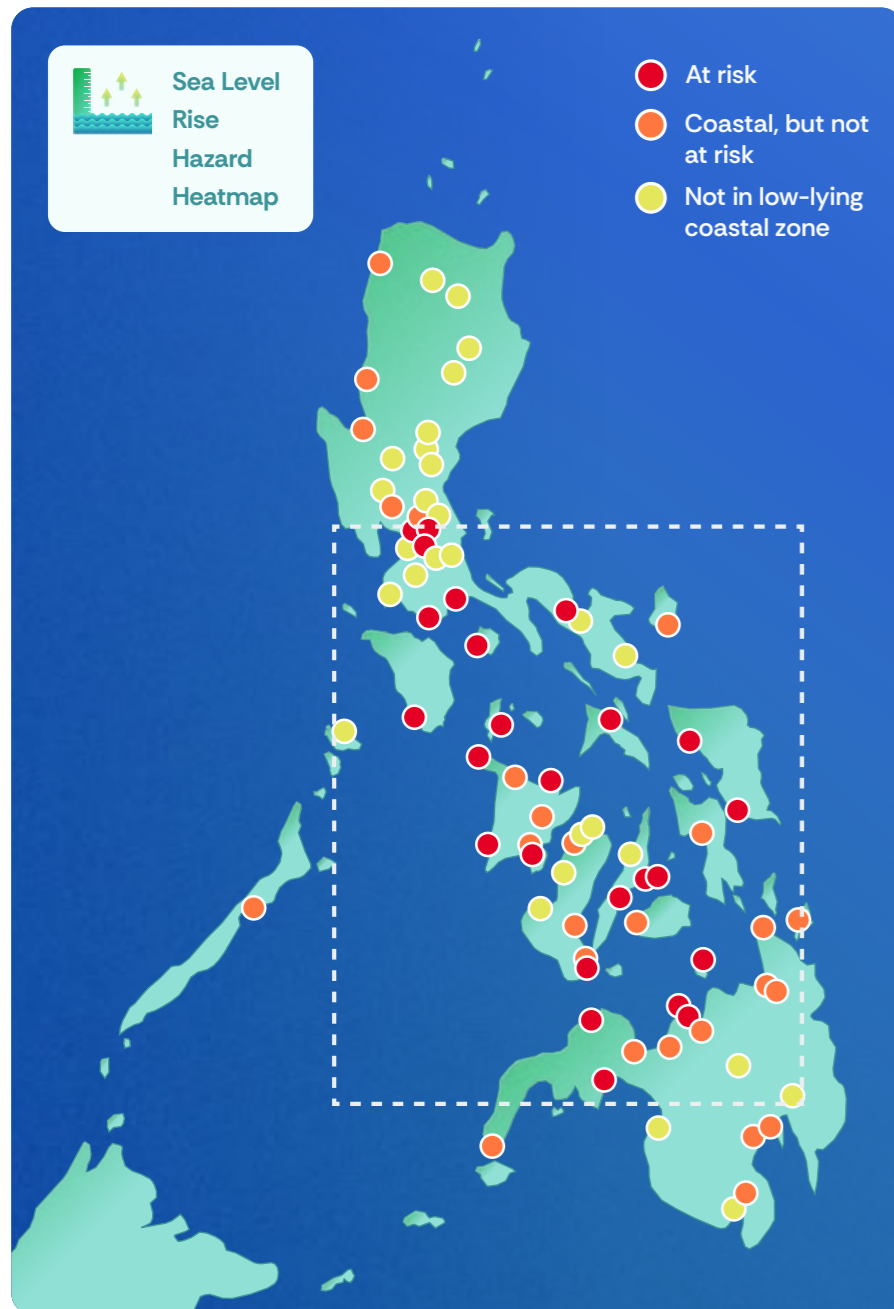
Hazard Level	Facility Count
High	98 (46%)
Medium	73 (35%)
Low	19 (9%)
Data Unavailable	21 (10%)
<b>Total</b>	<b>211</b>

	High	Medium	Low
<b>Tropical Cyclones</b>			
The scores are normalized where the min value is 0 and max value is 1.			
a. Direct Strike: Ty - 15%; STy Count - 20%; Max Wind (km/h) - 20%; Avg Wind (km/h) - 15%	0.5-1.0	0.1-0.5	0.0-0.1
b. Indirect Strike: Ty - 10%; STy - 10%			
c. 200 km buffer: Ty - 5%; STy - 5%			
*Ty - Typhoon Count; STy - Super Typhoon Count			

	High	Medium	Low
<b>Flooding</b>	>1.2m flood depth	0.4-1.2m flood depth	<0.4m flood depth



# Determining Climate Exposure

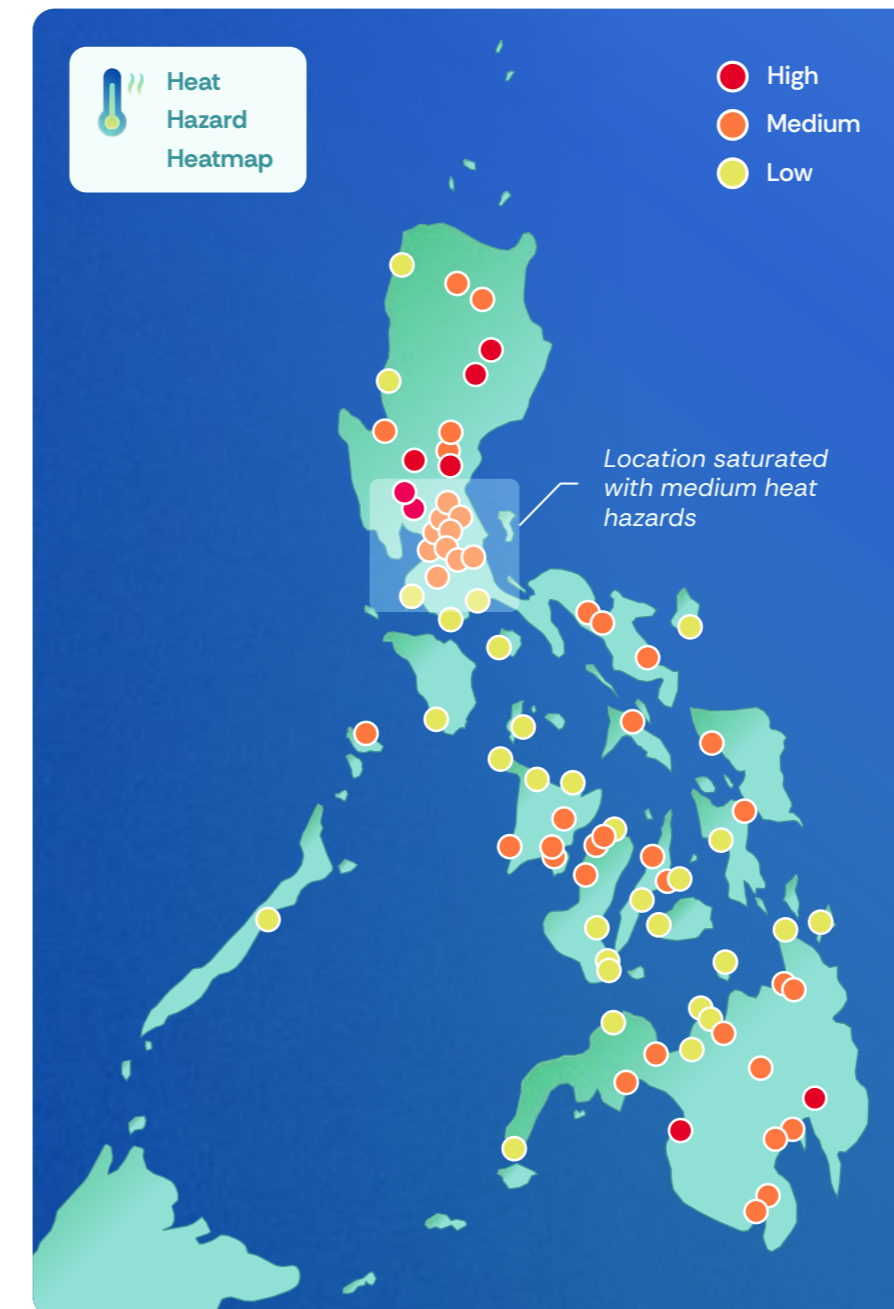


## Sea Level Rise

45% of facilities are **at-risk** in low-lying coastal zones with elevations under 10m. By 2050, a projected sea level rise 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.

Hazard Level	Facility Count
At risk	45 (22%)
Coastal, but not at risk	45 (22%)
Not in low-lying coastal zone	119 (57%)
<b>Total</b>	<b>209</b>



## Heat

8% of facilities are exposed to **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 flat landscape sandwiched by mountainous areas.

Hazard Level	Facility Count
High	18 (8%)
Medium	140 (79%)
Low	51 (13%)
<b>Total</b>	<b>209</b>

	High	Medium	Low
<b>Sea Level Rise</b>	With sea-level rise value of >0 m by 2050 but the facility is located at an elevation of 0 m or less	With sea-level rise value of >0 m by 2050 but the facility is located at an elevation of 1-10 m	Facility is located at an elevation of > 10 m

	High	Medium	Low
<b>Heat</b>	Hazard category is assigned based on 'average number of days in a year above 35 degrees Celsius'	Majority of summer days (> 46 days)	greater than 0.1 quantile but less than majority of summer days (> 9.2 days, <= 42 days)
			less than or equal to 0.1 quantile (<= 9.2 days)

# Selecting Pilot Facility

Force-rank and select the pilot facility per SBU according to:

- Assets with Medium-High Climate Level Exposure
- Business Credibility
- Resource buy-in alignment

## 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.



# Selecting Pilot Facility

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 which 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.



# Vulnerability Assessment



## 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.



# Vulnerability Assessment

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

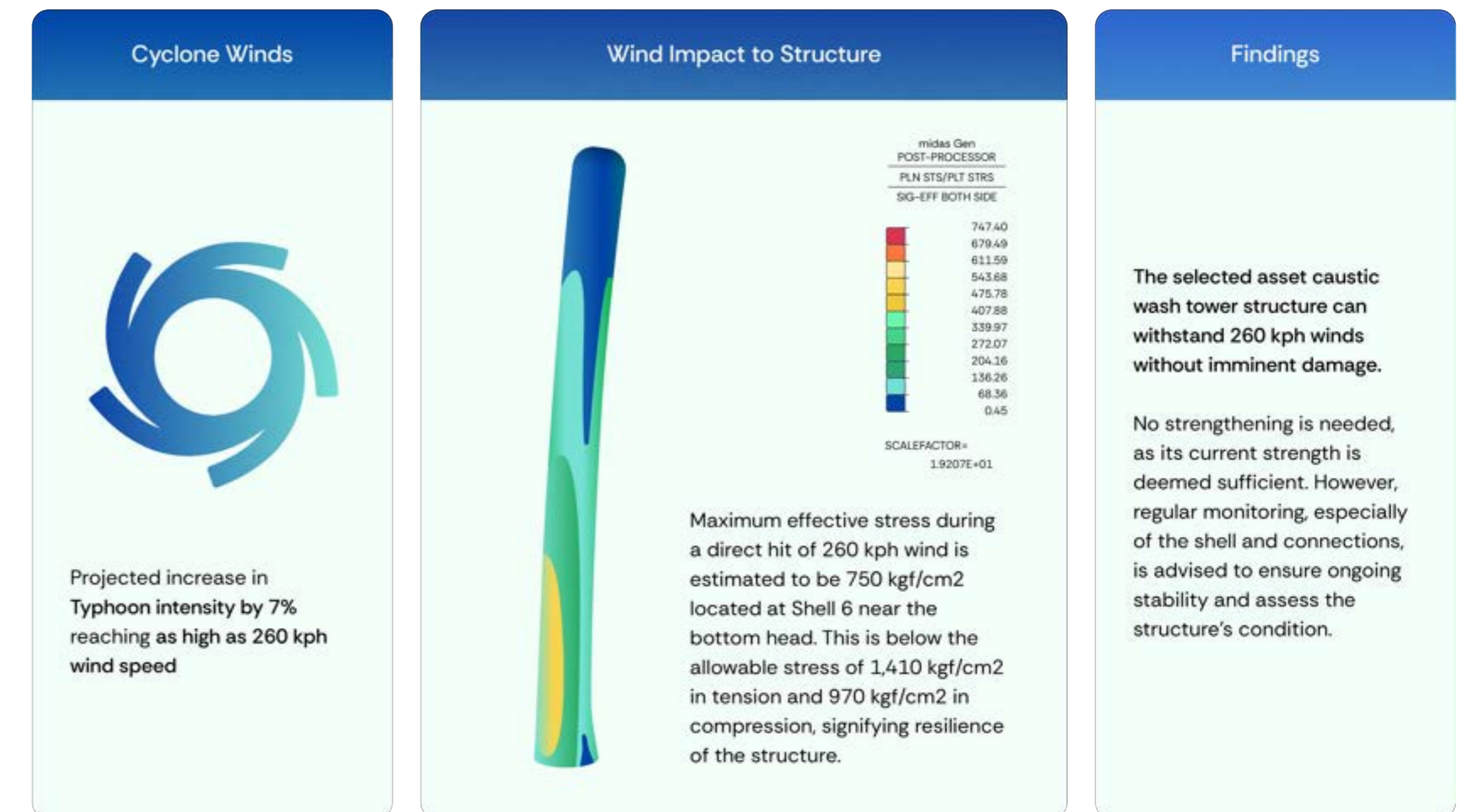


Table 1. Material climate-related physical risks to JGSOC

Climate Hazard	Time Horizon	Description	Potential financial impact	Adaption 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 outdoor plant maintenance activities.</li> </ul>
Flooding	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>		



# Integration into Business Process



## 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. JGS 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 impact	Adaption measures
Acute	Tropical cyclones (TC)	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 and possible inundation in access roads.</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 cyclones 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, 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)

# Integration into Business Process

## 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	Adaption 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 costs 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 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 the 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)

# Integration into Business Process

## 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 the transition risks assessment. This proactive approach will help us mitigate risks while 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.

# 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

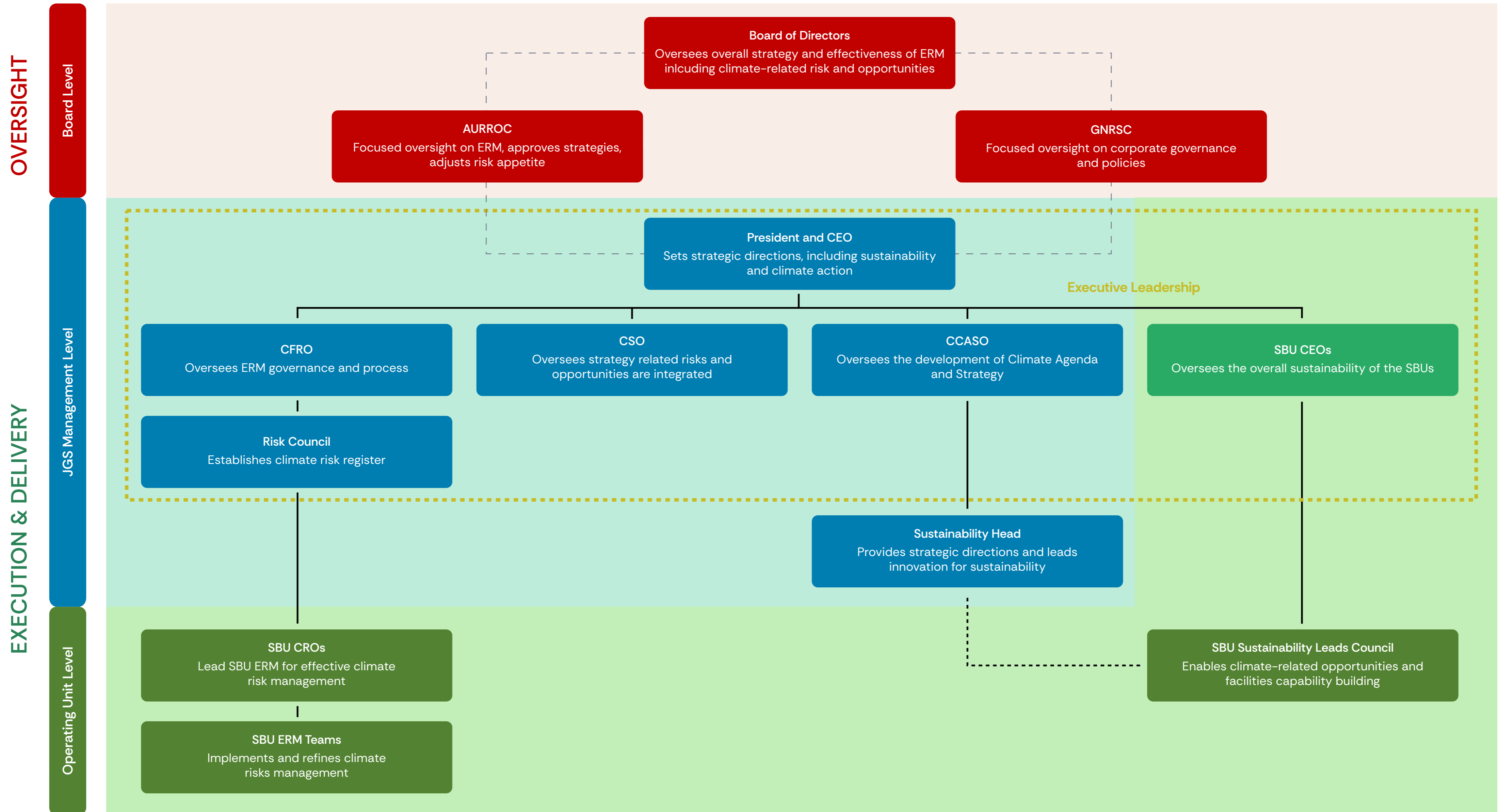
The Management Level focuses on integrating the climate agenda throughout the portfolio and reports progress to the Board.

## 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 risks 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 **JGS 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.



# Our Approach to Risk Management

As discussed in the ERM and Internal Controls, our ERM strategy takes a holistic approach to 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 into 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 Levels. 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 are 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

**Risk Identification**

Incorporation of climate hazards (tropical cyclone, flooding, increased temperature, sea-level rise) into risk factor analysis.

**Risk Response, Monitoring and Evaluation**

- Development of climate-specific mitigation and adaptation strategies based on the identified risks and impacts.
- Regularly monitor climate data and update risk assessments as needed.
- Evaluate the effectiveness of implemented mitigation and adaptation strategies and make adjustments as necessary.



**Risk Assessment**

- Mapping of the company’s assets and facilities exposed to each climate hazard.
- Selection of the critical assets for in-depth analysis based on potential impact, strategic importance, and resource availability.
- Conducting detailed climate scenario analysis using different climate scenarios (RCP 4.5, RCP 8.5) for selected assets.
- Utilizing tools like structural and vulnerability assessments, flood modeling, and temperature/energy usage modeling to quantify potential impacts.

**Risk Prioritization**

- Consider both the likelihood and potential impact of climate-related risks alongside other organizational risks to assess priority.
- Prioritize climate risks based on urgency of response and potential disruption to critical operations.

## 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 Risks and is ranked number 5 among the Top 10 risks. Climate-related risks pose a potential adverse impact to operations, particularly in the face of extreme weather events. Regulatory changes linked to 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 integrate the identified climate-related risks, specifically extreme weather events, into our business continuity plans and crisis management plans to ensure the group's resiliency.



## d. Opportunity Management Process

We are proactively anticipating future climate conditions, and 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 update our approach at least semi-annually in response to changing climate conditions and market shifts. This continuous monitoring and refinement highlight our commitment to the actively evolving landscape of climate-related opportunities.

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

We continuously enhance our risk management system, demonstrating a 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.

# Metrics, Targets, and Looking Ahead

To provide our shareholders and stakeholders with 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 and vulnerability assessment coverage associated with flooding, tropical cyclones, extreme temperature and heat stress, and sea level rise.

Metric	Current Performance	Ambition
Exposure Assessment Coverage	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
Vulnerability Assessment Coverage	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	tCO <sub>2</sub> e	2,585,360	URC, CEB, RLC, JGSOC, RBank, CCU
Gross Energy direct (Scope 1) GHG emissions	tCO <sub>2</sub> e	2,171,880	
Gross Energy Indirect (Scope 2) GHG emissions	tCO <sub>2</sub> e	302,488	
Gross Other Indirect (Scope 3) GHG emissions	tCO <sub>2</sub> e	110,991	RLC
GHG emissions intensity	tCO <sub>2</sub> e/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 measuring and reporting our scope 1, 2, and some scope 3 carbon emissions.

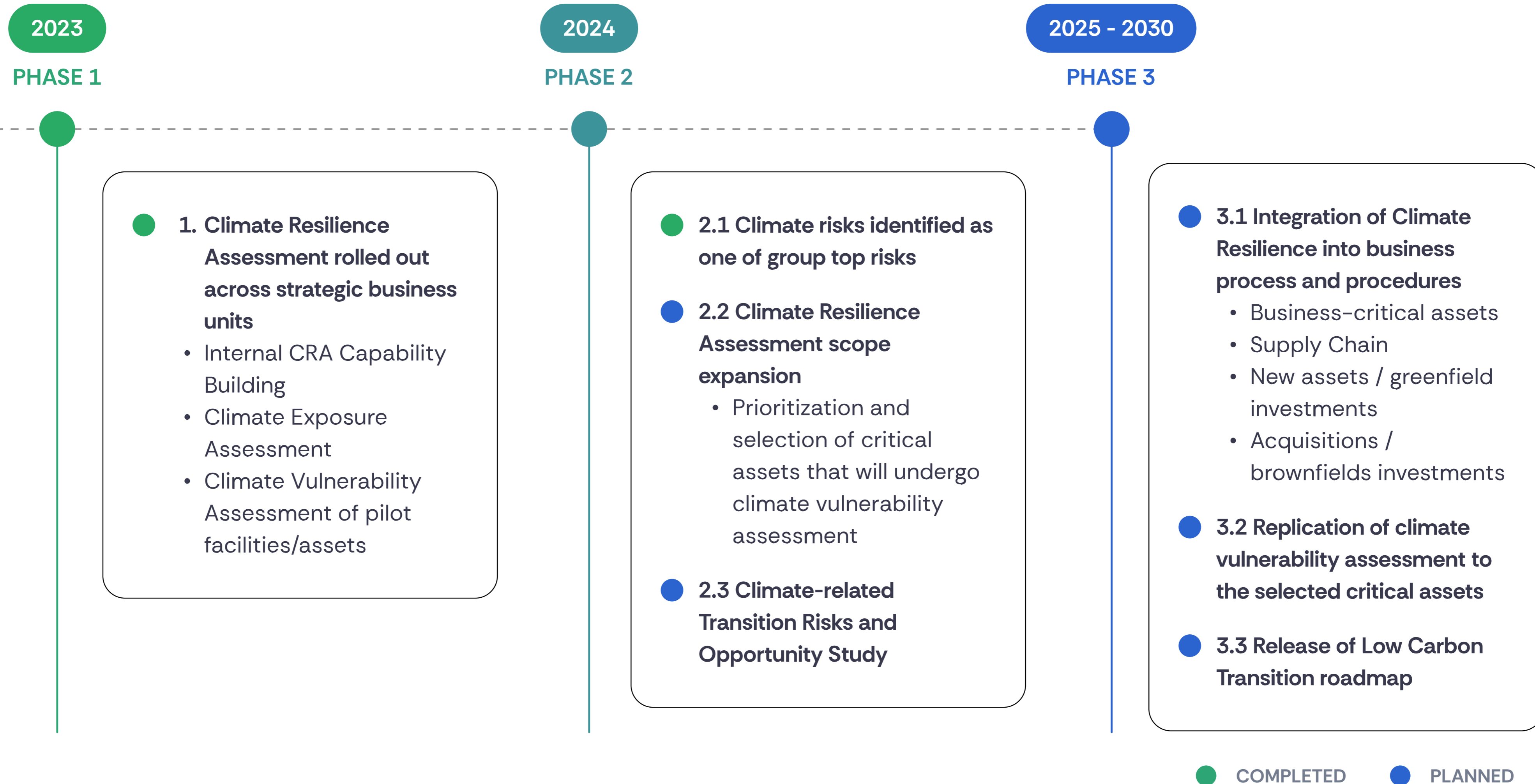
For scope 2 emissions, we utilize a location-based approach. Scope 3 emissions are disclosed for electricity usage by RLC tenants only, with plans to expand this to include other business activities. Furthermore, we are considering internal carbon pricing to anticipate the potential financial impacts 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 with our aspiration to attain a Net Zero target by 2050.



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

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.

The 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 as one of the group's top risks, reflecting how we prioritize 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 JGS'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, JGS's business units 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 various emission reduction initiatives and the escalated adoption of renewable energy sources across our operations.

**36,907,400 GJ**  
Total Energy Consumption

**2,086,356 GJ**  
Total Renewable  
Energy Consumption

**51.04%**  
Share of Own-Generated  
Renewables to Total RE Consumption

**2,585,360 tCO<sub>2</sub>e**  
GHG Emission



# Initiatives by our Strategic Business Units (SBU's)



PROGRAM

# Fleet modernization through next-gen Airbus NEOs



ACTIVITIES

- Deliveries of NEO aircrafts added to fleet

OUTCOME

- Estimated GHG emission reduction of 161,655 tCO<sub>2</sub>e in 2023

RESULTS AND IMPACT

- 15 NEO aircraft added; total of 38 NEO by end of 2023

## PROGRAM

# Integration of sustainable aviation fuel (SAF) in operations



## ACTIVITIES

- Incrementally testing and incorporating SAF in operations
  - 1st delivery with SAF blend from Airbus' Tianjin, China assembly plant
- Assessing market acceptance and buy in of SAF
  - 1st NRT-MNL commercial flight powered by SAF
- Establishing strategic partnerships:
  - MOU signing with Neste Corp. to develop supply
  - Collaboration with government bodies i.e. CAAP/EASA for SAF studies

## OUTCOME

- Estimated GHG emission reduction of 70 tCO<sub>2</sub>e in 2023

## RESULTS AND IMPACT

- 34,541 liters of SAF used in operations

## PROGRAM

# Electric Vehicle and Electric Ground Support Equipment (GSE) Transition Program



## ACTIVITIES

- Implementation of electric employee shuttles (Juander Shuttle)
- Trial run for electric baggage tractor and fast charging station in partnership with TLD Asia Limited
- Pilot-implementation of electric passenger shuttle busses at NAIA

## OUTCOME

- Estimated GHG emission reduction of 161,655 tCO<sub>2</sub>e in 2023

## RESULTS AND IMPACT

- Three (3) electric shuttles, one (1) electric baggage tractor and two (2) passenger shuttles providing zero-emission transportation to employees



PROGRAM

# Investing in nature-based solutions to mitigate environmental impact



ACTIVITIES

- Partnership with the Ramon Aboitiz Foundation Inc. One to Tree program (RAFI OTT) to support the conservation and restoration of mangroves in Cebu

RESULTS AND IMPACT

- 10,000 mangrove seedlings over an estimated 5-hectare area in Barangay Tapon, Dumanjug, Cebu

OUTCOME

- Supporting livelihoods and increasing climate resilience of local communities
- Increased absorption of CO<sub>2</sub>, aiding climate change mitigation
- Enhanced collaboration with stakeholders

PROGRAM

## Fuel-efficient practices in operations and engineering



ACTIVITIES

- Fuel efficiency practices
- Directing routing on Domestic Routes (Green Routes)
- Flight plan optimization
- Reduce Flaps at Landing (RFLA)

OUTCOME

- Estimated GHG emission reduction of 51,000 tCO<sub>2</sub>e in 2023

RESULTS AND IMPACT

- Total estimated jet fuel saving of 16.1 million kg

PROGRAM

## Installation of Solar Rooftops in URC sites



ACTIVITIES

- Installation of Solar Rooftops across URC sites with a total of USD 8 Million in capital investments since 2019

OUTCOME

- Estimated annual avoidance of more than 13,600 tonnes of CO<sub>2</sub> emissions

RESULTS AND IMPACT

- Total of 15,000 kWp of solar rooftop installations since 2019
- 82,353 GJ of energy used in the operations comes from solar energy in 2023



PROGRAM

# Utilization of Biomass & Biogas



ACTIVITIES

- Use of biomass and biogas as fuel for boilers used in operations

OUTCOME

- 23% inc. in utilization vs last year

RESULTS AND IMPACT

- Biomass and biogas initiatives contribute 837,611.54 GJ energy consumption

PROGRAM

# Purchased Electricity from Renewable Sources



ACTIVITIES

- Agreements with various retail electricity suppliers to supply more than 20 local facilities with geothermal, solar, and hydropower sources until 2025.

OUTCOME

- 25% increase vs last year

RESULTS AND IMPACT

- 850,054 GJ electricity consumed in 2023 comes from Renewable Sources, which constitutes 51% of total purchased electricity

PROGRAM

# Energy & Its Alternatives (EIA) Squad



ACTIVITIES

For comprehensive and focused efforts towards energy efficiency and transition to low carbon operations, an agile squad was established to:

- Reduce energy usage for BCF-PH
- Identify cost-efficient and sustainable energy technology suppliers of alternative fuels

RESULTS AND IMPACT

- Achieved 1.21% reduction in energy consumption in BCF-PH through efficiency initiatives and conservation practices
- Maintained a clean environmental record, with zero Notice of Violation on Boiler emissions

OUTCOME

- Generated Php 23.74 million savings for solar & sub heater projects



PROGRAM

# Environment Recognition Programs — Sustainability Awards



ACTIVITIES

- 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.
- 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.

Awards are given for Government and Legal Compliance, Resources Optimization (Waste Minimization), Efficient Water Use, Energy Efficiency, and Nature Protection.

OUTCOME

- Increased engagement across URC facilities and plants

RESULTS AND IMPACT

- **2023 Winners:** GREEN Excellence in Environment Award  
La Carlota Sugar Mill
- **Category Awards**
  - Best in Waste Management: La Carlota Sugar Mill
  - Best in Water Management: Cavite Plant
  - Best in Energy Efficiency Management: La Carlota Sugar Mill
  - Best in Nature Protection: La Carlota Sugar Mill

PROGRAM

# GHG Reduction through the use of solar energy



ACTIVITIES

- Php266,833,224.00 investment in onsite RE installation in 2023 (under Merbau Corp.)

OUTCOME

- Reduction of power consumption and GHG emissions
- Offset power source from the national grid and in-house diesel generators

RESULTS AND IMPACT

- Total of 9,109.80 tons of CO<sub>2</sub>e avoided
- 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.

## PROGRAM

**Rooftop Farms**

## ACTIVITIES

- Partnered with Farm Top to optimize rooftop space of Robinsons Cyberscape Alpha for hydroponics method of planting

## OUTCOME

- Contribute to a more sustainable and efficient food distribution system
- Enhances food security by bringing agriculture closer to the city

## RESULTS AND IMPACT

- Reduced the heat caused by clusters of buildings and pavements, effectively mitigating the heat-island effect. Contributes to minimizing the carbon footprint since the travel of greens from farm to consumer is shorter.



## PROGRAM

# Solar Panel Installation Initiative



## ACTIVITIES

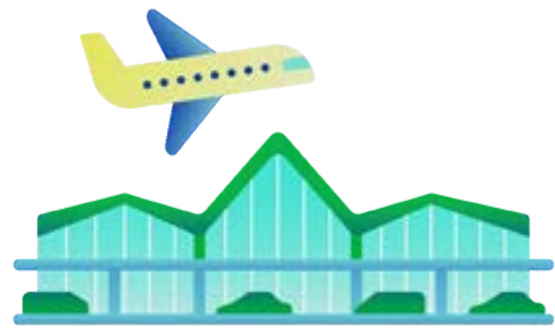
- Solar panel installations in Robinsons Malls Php1.7B investment since 2015

## OUTCOME

- Reduction of carbon emissions and electricity savings

## RESULTS AND IMPACT

- Solar panel installations in 24 malls since 2015
- 101,234 solar panels installed
- 27,844.72 MWH total energy saved amounting to Php 1.4 billion total electricity cost savings
- 118,388 tonnes of CO<sub>2</sub>e avoided equivalent to 1.96 million trees planted



## 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 toward 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 into 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 the 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 ongoing efforts to combat plastic pollution in our communities and beyond.

**26,158,218 m<sup>3</sup>**  
Water Withdrawal

**13.28%**  
Recycled Water

**1,113,691 tonnes**  
Renewable Materials

**6.87%**  
Recycled Input Materials

# Initiatives by our Strategic Business Units (SBU's)

PROGRAM

## Biodegradable utensils and cups



ACTIVITIES

- Shift of inflight utensils and cups to biodegradable materials

OUTCOME

- Reducing plastic waste globally

RESULTS AND IMPACT

- Implemented biodegradable materials, resulting in a reduction of single-use plastic usage by 25,511 kg in 2023



## PROGRAM

# Plastic bottle waste segregation



## ACTIVITIES

- Implementation of the “On board plastic bottle segregation” Campaign videos to raise awareness of plastic recycling

## OUTCOME

- Increase awareness of recycling amongst passengers
- Improved waste management within CEB operations

## RESULTS AND IMPACT

- 28,000 kg of PET bottles have been segregated and collected since the implementation of the On-board PET bottle segregation

PROGRAM

## Juan Goal for Plastic Program



ACTIVITIES

- Plastic Waste Collection Program in partnership with employees, communities, and local government units (LGU)

OUTCOME

- Increasing awareness 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.

RESULTS AND IMPACT

- 54.13 metric tons of plastic waste was collected
- Over 49 collection hubs were added in 2023; the total number of collection hubs since 2022 is 159
- Participated by more than 900 employees and in over 60 communities.

PROGRAM

# Waste Management Partnership with Holcim



ACTIVITIES

- Partnership with Holcim to support LGUs in co-processing of laminates

OUTCOME

- Supporting LGUs Management of Plastic Wastes

RESULTS AND IMPACT

- Agreement with Holcim to co-process laminates



PROGRAM

# Water Use Efficiency



ACTIVITIES

**Reduction Initiatives:**

- Installed harvesting units continued to be utilized to act as alternative sources of water for basic utility cleaning activities in various sites across URC.
- Continued use of level controllers and automatic shut off valves for feed water tanks in several Agro-Industrial Commodities (AIC) group sites. Leak detection and correction were also carried out in various sites across all business units.

**Reusing initiatives:**

- Steam recovery systems such as the construction of condensate lagoon and lines to recovery projects & make-up water have been put in place in select sites. This process returns condensate to be used as boiler feed water pre-heating.
- 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.

**Recycling Initiatives:**

- Implemented the use of treated wastewater in spray ponds and wet scrubbers to reduce water wastage.
- 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.
- 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 the 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.

PROGRAM

# Water Use Efficiency



RESULTS AND IMPACT

- 139,125 cubic meters of rainwater was harvested
- 13% of wastewater was recycled and reused

OUTCOME

- Increased its water efficiency
- Reduction on water withdrawal from other sources

PROGRAM

## Efficient recovery and treatment of waste



ACTIVITIES

- Oily water treatment system ensuring efficient recovery of oil
- Recovered oil hauled by/sold to accredited haulers/buyers

OUTCOME

- Reduced hauling cost
- Improved hazardous waste management in JGSOC petrochemical complex

RESULTS AND IMPACT

- Php1,400,000.00 cost savings in handling, treatment, and disposal of hazardous wastes
- 140,000 liters of oil recovered and sold to the company's accredited buyer



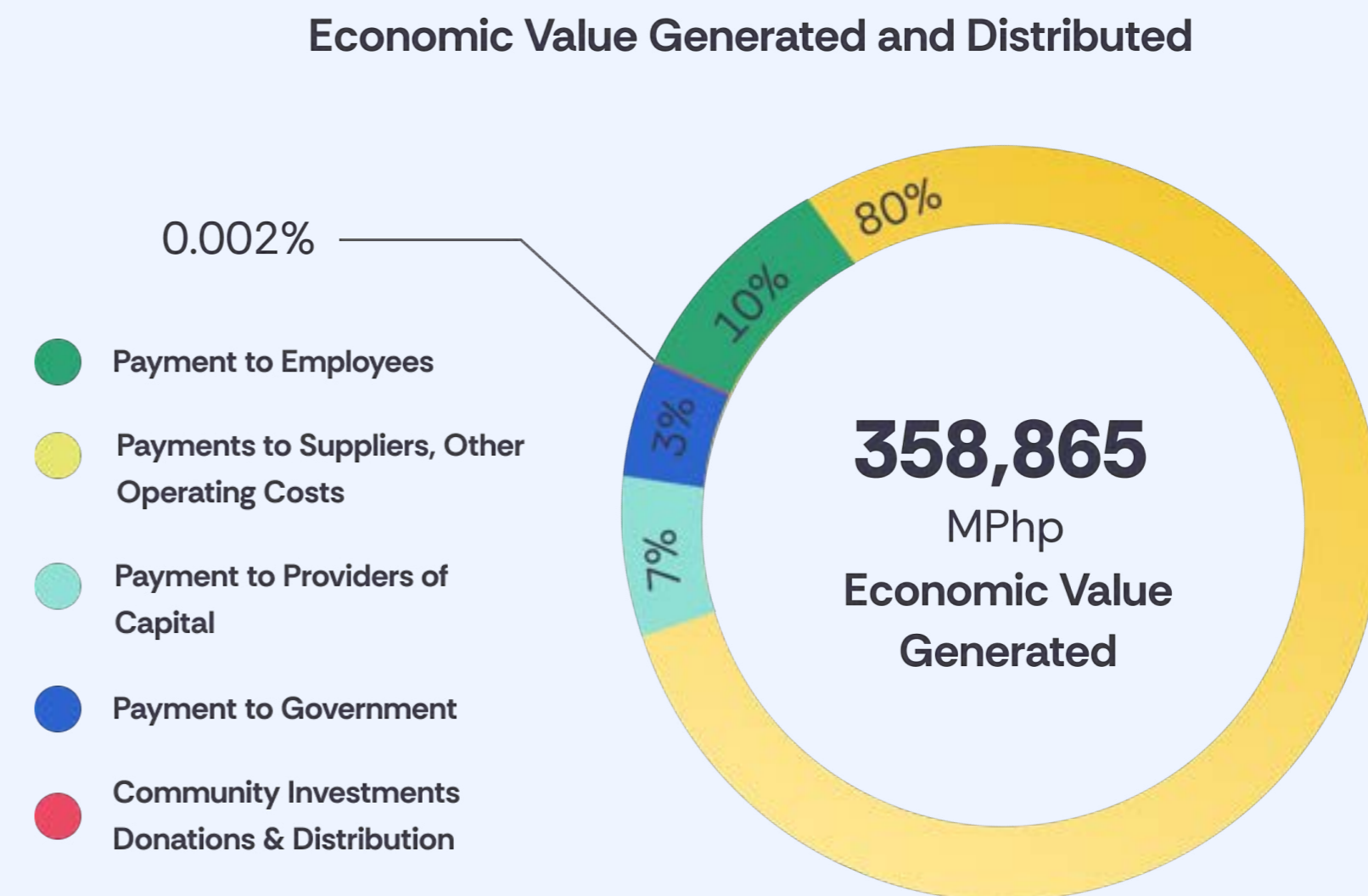
# Shared Success

For JGS, 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.



# Initiatives by our Strategic Business Units (SBU's)

TARGET

# Social and environment commitment for the welfare of communities

ACTIVITIES

- Renewal of partnership with UNICEF through “Change for Good” program
- Signing of MOU with United Filipino Global (“UFG”)
- Hosting of Fun for Little Juans at Manila Ocean Park
- Developing an immersive airport experience tailored for children with autism from the Autism Society Philippines (ASP)

OUTCOME

- Improving access to education, healthcare, and humanitarian aid for communities
- Essential support to OFW and their families, which i.e., travel assistance, education, and humanitarian aid
- Supporting the education of students through tangible support and experimental learning students
- Fosters inclusivity while also promoting education and awareness about air travel for individuals with autism



RESULTS AND IMPACT

- Raised over Php 10.9 million in 2023 and over Php 91 million in donations since its launch in 2016
- Long-term partnership with UFG, Engagement with OFWs, and information dissemination on air travel
- Fun for Little Juans: Attended by 181 children and 139 guardians from Better World Tondo
- Inclusive travel experience for ASP participants, coupled with education and awareness initiatives focused on air travel



TARGET

## Commitment to supporting humanitarian aid efforts



ACTIVITIES

- Participation in a logistic preparedness workshop by Airlink

OUTCOME

- Enhanced disaster resilience and response capabilities for humanitarian aid efforts

RESULTS AND IMPACT

- Enhanced logistical preparedness and technical capacity
- Strengthened relationships with airlines, non-government organizations NGO and logistic partners

TARGET

# One Million Trees Project



ACTIVITIES

- Distributed seedlings of indigenous and fruit-bearing trees to LGU and NGO

OUTCOME

- Reforestation efforts, through the help of various external stakeholders (i.e., LGU, host barangay, universities, NGOs, etc.)

RESULTS AND IMPACT

- 596,901 tree seedlings donated/distributed from February 2016 to December 2023

## TARGET

### Lingkod Pinoy



## ACTIVITIES

- Provides tenant spaces free of charge to government agencies in order for them to bring their services closer to Filipinos.
- A one-stop center where Filipinos may access a variety of govt services

## OUTCOME

- Support the government in bringing essential services accessible to more Filipinos.

## RESULTS AND IMPACT

- Average daily transaction in 2023 is 31,169 with 84 stand-alone offices and 152 centers nationwide.

[See Partner Agencies in the next page](#)

- National ID processing – 2,242,581 transactions
- Saliva RT-PCR Test COVID 19 – 125,324 individuals served
- Passport Renewal – 839,257 transactions
- Bureau of Quarantine Yellow Card Distribution – 297,344 individuals served
- COMELEC Brgy. Election Registration – 96,940
- COMELEC Voters' Registration – 51,114



TARGET

## Lingkod Pinoy



### Partner Agencies:

Social Security System (SSS)

Home Development Mutual Fund (Pag-Ibig)

Professional Regulatory Commission (PRC)

Philippine Health Insurance Corporation (PhilHealth)

Bureau of Immigration (BI) District Offices

Department of Foreign Affairs (DFA)

Overseas Workers Welfare Administration (OWWA)

Local Government Unit of Quezon City

Philippine Postal Corporation (PHILPOST)

National Bureau of Investigation (NBI)

Tourism Infrastructure and Enterprise Zone Authority (TIEZA)

Land Transportation Office (LTO)

Philippine Overseas Employment Administration (POEA)

Land Registration Authority (LRA) Office

Securities and Exchange Commission (SEC)

Department of Trade & Industry (DTI)

Bureau of Quarantine (BOQ)

Technical Education and Skills Development Authority (TESDA)

## TARGET

**R Gift of Health – *RLC's Medical Mission Program***

## ACTIVITIES

- Administered medical screenings and medical consultations to select community
- Provided free medicines prescribed by the medical mission doctors

## OUTCOME

- Impart good health which is very vital in order to have a good quality of life.

## RESULTS AND IMPACT

- 5,458 medical screenings administered
- 3,885 individuals served
- 17 communities served

## TARGET

# Entrep Corner – RLC’s Entrepreneurship Program for Schools



## ACTIVITIES

The Entrep Corner Program provides 3 activities:

- **Seminar** – 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.
- **Product Evaluation** – Students present their business & their products to a select panel of evaluators composed of industry experts from RLC and other SBUs
- **Product Exhibit** – Students are given tenant spaces at Robinsons Malls allowing them to sell their products and operate their businesses in a real business environment

## RESULTS AND IMPACT

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

## OUTCOME

- Produce future entrepreneurs who will contribute to the growth of the economy



## TARGET

**R Sikap – RLC’s Livelihood Assistance Program**

## ACTIVITIES

- 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 which they may start and grow
- Donated Livelihood Carts to deserving groups who are capable of running a food cart business and who are deserving of the donation

## OUTCOME

- Sustainable source of income provided to indigent beneficiaries



## RESULTS AND IMPACT

- 20 RLove Livelihood Carts Imparted
- 200 Individuals Trained
- 293 Individuals helped

## TARGET

**R Tulong – RLC’s Emergency Assistance Program**

## ACTIVITIES

- Provided relief packs containing food, water, and personal care items for the affected families affected by calamities

## OUTCOME

- Fulfill the immediate needs of calamity-stricken victims
- Help displaced victims survive calamities

## RESULTS AND IMPACT

- 1,213 Relief Packs Distributed
- 3,639 Beneficiaries Helped
- 9 areas reached

## TARGET

**R Eskwela – RLC’s School Assistance Program**

## ACTIVITIES

- Provided needed items e.g. equipment, supplies, tools, classroom furniture, and even rehabilitation work to prepare the school for the opening of classes

## OUTCOME

- Create a more conducive learning situation and environment for students

## RESULTS AND IMPACT

- 2,380 RLove Schools Bags w/ School Supplies distributed
- 43 schools & organizations reached
- 15,995 beneficiaries supported
- 33 areas reached



TARGET

# Project Salig



ACTIVITIES

- 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

OUTCOME

- Established a trust-based partnership with sugarcane planters

RESULTS AND IMPACT

- 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

TARGET

# Sustainable Potato Program



ACTIVITIES

- 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, Bukidnon, and Davao del Sur through Sustainable Potato Program

OUTCOME

- Help potato farmers increase their yields, stabilize prices of highland vegetables, and help the national potato industry

RESULTS AND IMPACT

- 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 Potato Producers of Benguet and Mountain Province, Inc.
- Distributed 27 metric tons of granola table potatoes to over 200 farmer beneficiaries in Davao Del Sur and Bukidnon

TARGET

# Flourish Pilipinas



ACTIVITIES

- Empowered aspiring bakers through Flourish Pilipinas, a learning program that aims to foster a nation of baker entrepreneurs
- 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

OUTCOME

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

RESULTS AND IMPACT

- 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



TARGET

# AIG Kabalikat Program



ACTIVITIES

- Kabalikat Program – provides farmers, especially hog raisers, knowledge on the latest farming technology and management practices
- Offers technical expertise including free consultation services and e-learning series on health, sanitation, and overall biosecurity measures
- 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

OUTCOME

- **Improved access to** lifelong learning, and livelihood opportunities for communities

RESULTS AND IMPACT

- 362 hog Kfarms, 282 Gamefowl Kfarms, and 252 K-kennels nationwide since 2014

# 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, offering exclusive benefits to encourage supplier loyalty, improving cash flow management, and therefore promoting lasting relationships 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 is 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 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 and 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 with 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 JGS subsidiaries and RRHI.

Entrepreneurs 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 include various partner schools in Metro Manila and businesses under RLC & JGS.

The Entrep Corner Program comprises three key activities:

1. **Seminars:** Resource speakers from RLC and other JGS 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 JGS 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.

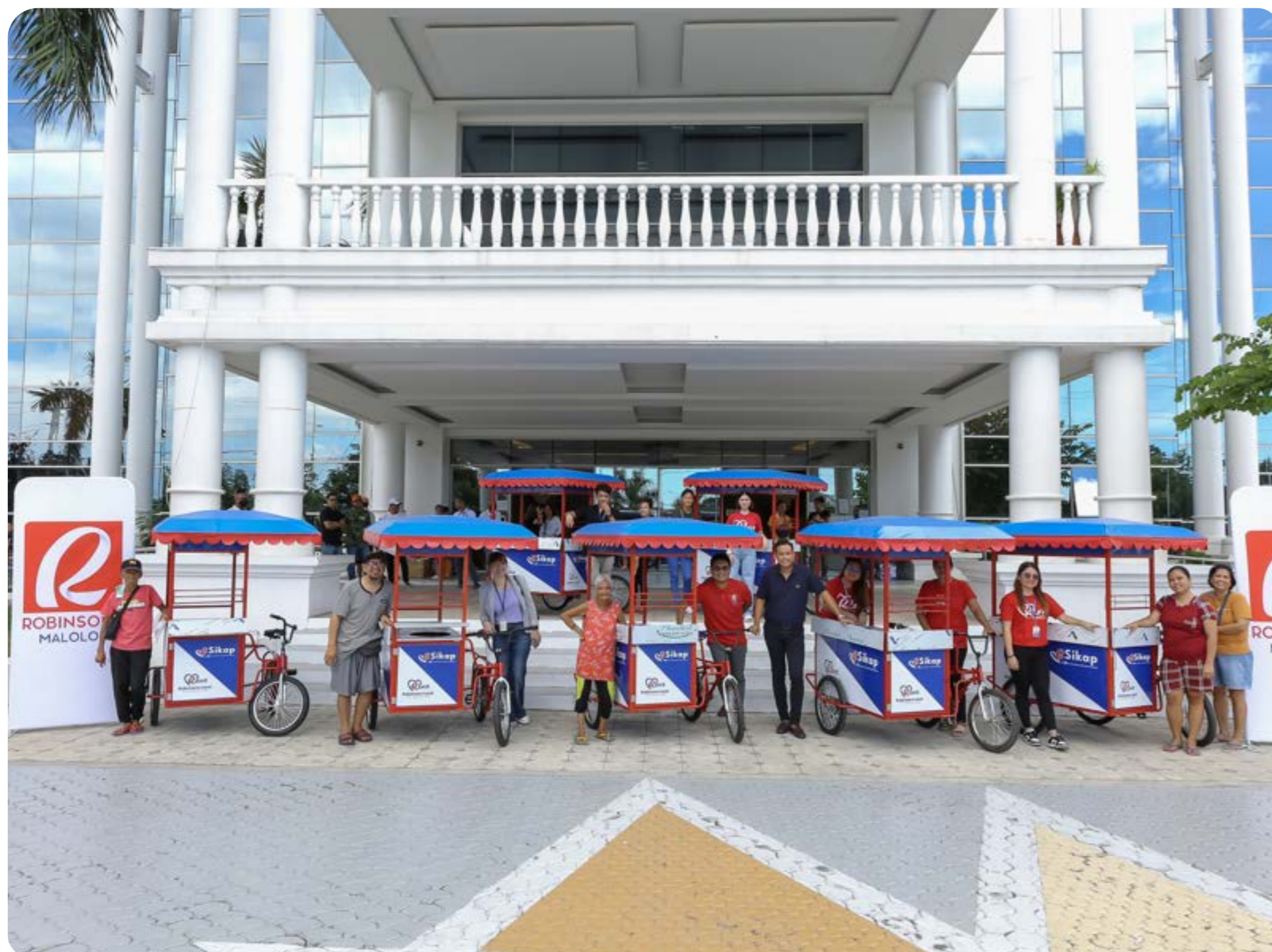
In 2023, Entrep Corner achieved the following milestones:

- 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 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 in 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 its 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 one-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' areas 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.

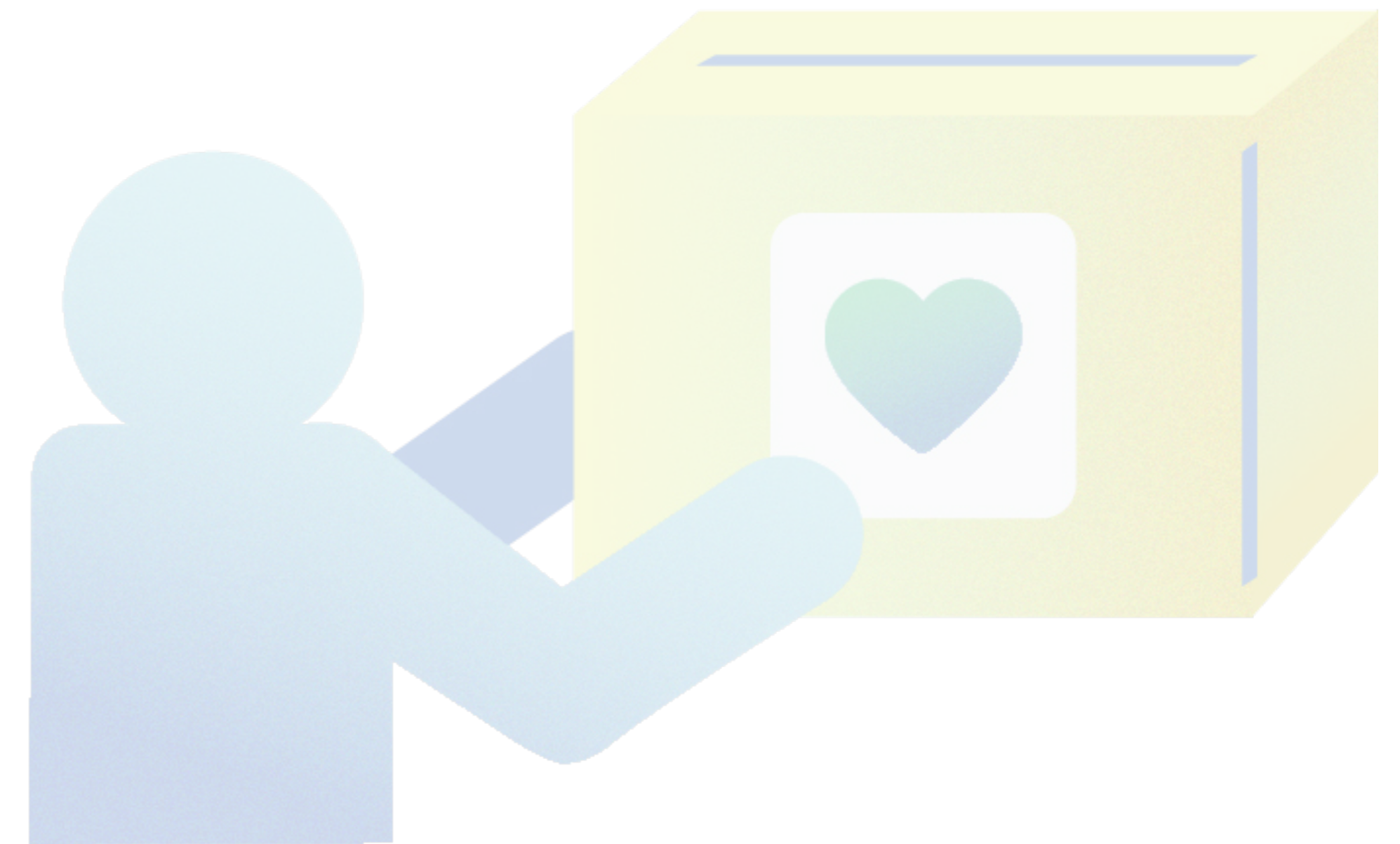




Through R Tulong, families and individuals displaced by calamities are given immediate relief in the form of food, water, shelter, and basic care items.

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, and classroom furniture, as well as rehabilitation work to prepare for the opening of classes, aligning with DepEd's Brigada Eskwela Program.

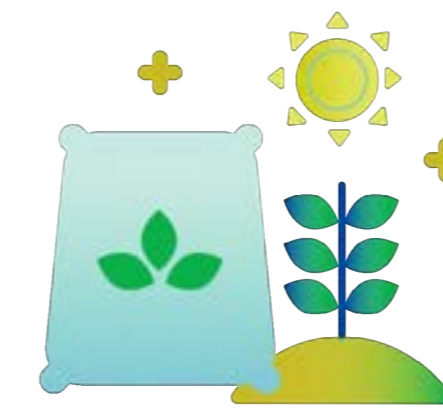
RLC properties nationwide actively participate in these activities by sending volunteers to assist in the turnover of donations to the beneficiaries. Through this program, schools, NGOs, and learning organizations receive assistance in supplies, tools equipment, rehabilitation services, and more, enhancing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



ALG's Kabalikat Program, which started in June 2014 with the Uno+ Kabalikat Farms (Kfarms), provides farmers, especially hog raisers, with 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 ALG 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 ALG, 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 ALG'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 ALG personnel and through hands-on training and on-site practice in ALG farms. ALG 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, ALG 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 ALG'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 ALG 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 this 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:

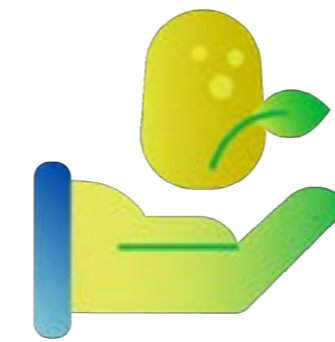
- Phase 1 saw contestants competing in an advanced baking workshop.
- Phase 2 had them pitching business plans to a panel of judges.
- Phase 3 put them in a baking and business plan competition that identified the regional winners.
- Phase 4 brought together Phase 3's champions from the Pasig, Sariaya, 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 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, JGS 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.

**1.41:1**

Male to Female Ratio

**21.34 hours**

Training Hours  
per Employee

**49 occurrences**

Lost Time incidents



# Initiatives by our Strategic Business Units (SBU's)

## PROGRAM

# Fostering industrial harmony through collective bargaining



## ACTIVITIES

- Unionized through the formation of Juan Wing Association of the Philippines (JWAP)
- Formation of Cebu Pacific Airline Pilots' Association (CPAPA)
- Monthly Labor Management Council (LMC) meeting

## OUTCOME

- Zero work disruptions caused by labor issues among flying crew

## RESULTS AND IMPACT

- 5 consultations with JWAP concerning employee-related policies
- 1,404 cabin crew are members of the JWAP



## PROGRAM

# Job Laddering and Salary Structure



## ACTIVITIES

- Expanded from an 8-level structure to a 16-level ladder to provide a career progression framework
- Salary Structure Review – comparison with peer companies

## OUTCOME

- Provides career progression, improves retention, and attracts external talents

## RESULTS AND IMPACT

- Adjustment in salaries of qualified non-flying employees

PROGRAM

# IncluCEB Space to promote diversity, equity and inclusion

ACTIVITIES

- Established partnerships with organizations involved in women’s empowerment, LGBT+, and creating new opportunities for persons with disabilities (PWDs)
- Gender and Equality Assessment Review (GEARS) with Philippine Business Coalition for Women Empowerment (PCBWE)
- Equity, Diversity and Inclusion Policy Review with PBCWE Self-Identification Survey
- Embracing Equity Training
- Sexual Orientation, Gender Identity, and Expression (SOGIE) 101 Training
- Featured Women Value Awardees for Women’s Month Celebration
- Painted the CEB Crosswalk with rainbow colors for Pride Month Celebration

OUTCOME

- Increased awareness and visibility of CEB’s commitment to equity, diversity, and inclusion (EDI)
- Empowered employees to actively contribute to a more equitable working environment



RESULTS AND IMPACT

- Survey conducted on the demographic composition of the workforce reveals 86 LGBT+ employees, 300 PWDs, 290 solo parents
- Enhanced and expanded employee benefits to include same-sex and common-law partners (HMO and FOC)
- Identification of areas for improvement in CEB’s policy and other HR areas (recruitment, learning, and development, benefits)



PROGRAM

# Juan CEB Community



ACTIVITIES

- Launching of thirteen (13) interest groups led by employees from various departments:
  - Juan eSports
  - CEB Smashers
  - CEB Skyballers
  - CEB Innovation Network
  - Cebu Pacific Football Club
  - CEB Boarders
  - Juan Spikers
  - CEB Cares
  - Juan Fitness Society
  - Shutterjuans
  - LifeAtCEB
  - CEB Runners
  - CEB Sessionistas

OUTCOME

- Improve engagement and collaboration and enhance overall employee experience

RESULTS AND IMPACT

- Around 1000 employees signed up for membership during the Juan CEB Community Day
- Engagement activities conducted in 2023:
  1. BUDminton Tournament
  2. Call of Duty Mobile Tournament
  3. CEB Skyballers League Season 1
  4. Football Tournaments
  5. Juan Fitness Wellness Programs

## PROGRAM

# CEB University 2023 Accelerated Program



## ACTIVITIES

- 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:
  - Leading and managing change
  - Influencing partnerships
  - Leading team success
  - Executing strategy
  - Making high-quality decisions

## OUTCOME

- Tailored classes for priority development areas
- Accelerate leadership readiness of CEB's successors and key talents

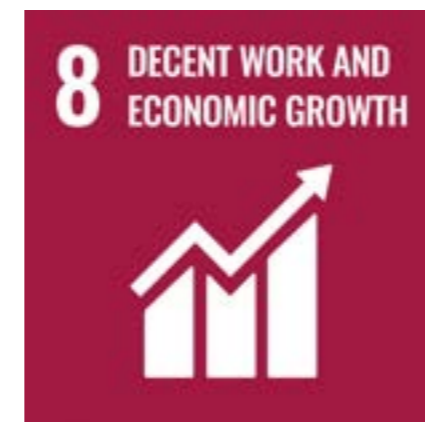
## RESULTS AND IMPACT

- 82% of CEB's target leader population have completed the program



## PROGRAM

# Relaunch of CEB Plus App



## ACTIVITIES

Additional features:

- MyPages – self-service employee information
- I.Care – internal customer care for passenger concerns
- Darwinbox – recruitment and performance management tool

## OUTCOME

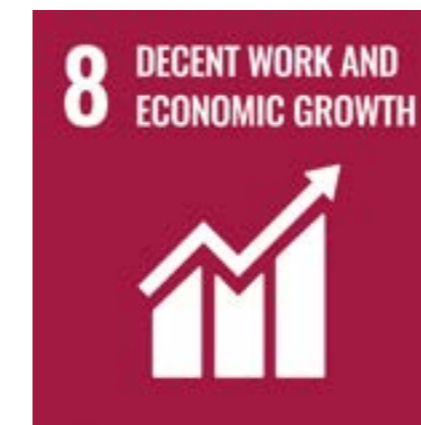
- Reduced HR processes from physical visits, emails, and waiting time to seconds
- Immediate availability of requests

## RESULTS AND IMPACT

- 4,800+ device downloads of latest version
- Average daily usage of 876 transactions

PROGRAM

## Build and Strengthen Agile Capability



ACTIVITIES

- Agile Academy learning sessions build knowledge and awareness of agile practices and ways of working through a 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

OUTCOME

- Average feedback score of learning sessions: 4.60 out of 5.00

RESULTS AND IMPACT

- Total of 18,000 training hours or 22 hours per employee
- Total of 8 Mancom Business Units 47 squads, 6 batches for Product Owners, 112 sessions for Chapter Leads, with 1,900 participants

## PROGRAM

# Build and Support Global Leadership Capabilities of Next Generation Leaders

## ACTIVITIES

- 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
- Leadership Excellence and Advancement Development (LEAD) and Leadership Enrichment and Advancement Program (LEAP): Leadership development programs aimed at enhancing skills and capabilities

## OUTCOME

- URC Regional Conference got an average feedback score of 4.41 out of 5.00
- The New Leaders' Program (NLP) has sustained its excitement and engagement as it finished its 5th module with an average post-session feedback score of 4.61 out of 5.00
- The Leadership Enrichment and Advancement Program (LEAP) has garnered an average feedback score of 4.76 out of 5.00 for its post session evaluation



## RESULTS AND IMPACT

- Enhanced leadership skills and knowledge among the ELT
- Increased understanding of industry trends and best practices
- Strengthened organizational culture and alignment



PROGRAM

# Build and Sustain Digital Learning Channel through URLearning



ACTIVITIES

- Revitalization of URLearning, URC’s learning management system (LMS)
- Migration from Matrix platform to Disprz platform
- Relaunch of URLearning in November 2023

OUTCOME

- Enhanced learning experience and engagement for users
- Increased efficiency in learning management processes
- Targeting a 40% adoption rate by 2024, indicating continued growth and utilization of URLearning

RESULTS AND IMPACT

- Increased access to external content items, with over 500,000 available
- Expanded user base, serving 2,500 users
- Introduction of new features including partial integration with Darwinbox, automated account management, leaderboard for gamified learning and personalized learning data dashboards
- Improved adoption rate, with 17% of users logging in since the November 2023 launch compared to the previous average monthly utilization of 2.8%



PROGRAM

# Executive Development Program



ACTIVITIES

- Implemented the Executive Development Program

OUTCOME

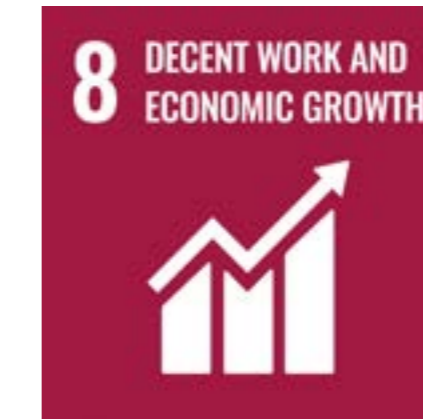
- Enhance leadership skills

RESULTS AND IMPACT

- Over 150 graduates
  1. EVOLVE (35 leaders)
  2. ADVANCE (35 leaders)
  3. INSPIRE (35-47 leaders)
  4. Executive Coaching (20 leaders)

PROGRAM

# Enhancing Leadership and Development Program



ACTIVITIES

- Continued strong partnerships with universities and with DOLE's Public Employment Services Office (PESO) and resumed onsite participation at school fairs
- Leadership Program for frontline leaders and Accelerate Program for High-Potentials

OUTCOME

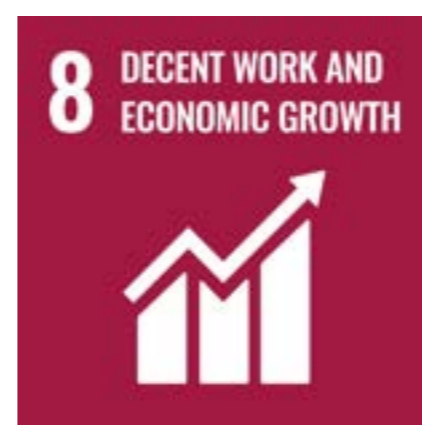
- Accelerated talent acquisition, with priority on the host community
- Succession planning and leadership track of JGSOC's high performing employees

RESULTS AND IMPACT

- Career pathway design for Technician Track in Manufacturing and implemented Technician certifications
- Trainings concluded for supervisors on Foundations of Leadership (FOL), and on Accelerate program for high potentials



## PROGRAM

**Future Leaders Program (FLP)**

## ACTIVITIES

- 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
- Coaching sessions
- 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

## OUTCOME

- Empowered leaders with accelerated management skills
- Implementation of the innovative ideas that improve the product and services of RLC

## RESULTS AND IMPACT

- 20 employees enrolled in the program





GOES TO



## “Be A Hero” Campaign

In 2023, the JGS 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 on 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 on 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.



GOES TO



ROBINSONS LAND CORPORATION





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

The JGS 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 41st 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 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 5th 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.

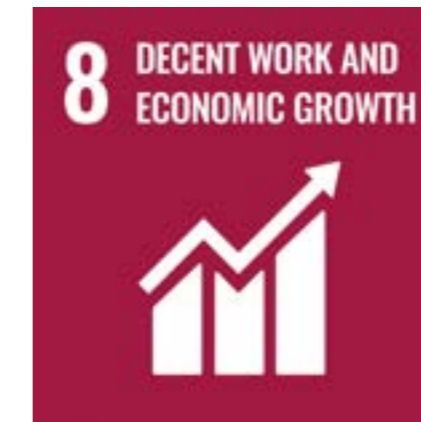


# Better Choices

For JGS, 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.

## PROGRAM

# Providing affordable and accessible flight options



## ACTIVITIES

- Reopening and addition of new routes and destinations
  - Reinstatement of the Clark hub with additional 14 routes
  - Launched Danang – Manila route

## OUTCOME

- Connecting communities through direct services
- Revenue contribution of PHP 3 billion from Clark hub and Danang–Manila route

## RESULTS AND IMPACT

- Over 140,000 flights and over 20.9 million passengers flown



PROGRAM

## Improving customer experience during disruption



ACTIVITIES

- Change of policy and systems for enhanced options for passengers

OUTCOME

- Enhanced customer flexible options policy aims to provide better disruption experience to passengers

RESULTS AND IMPACT

Effective August 2023:

- No deadline for option selection for disrupted flights
- No expiration for travel funds
- 15 days refund

PROGRAM

## Improving digital experience



ACTIVITIES

- Enhancement of digital self-service channels (website and mobile app)

OUTCOME

- Enhance user-friendliness and digital adoption for streamlined transactions and improved customer experience

RESULTS AND IMPACT

- Website/app available in the following languages: Japanese, Korean, Taiwanese, Chinese
- Booking changes saved upon successful payment
- Simplified MyCebuPacific account login/sign-up process
- Enhanced baggage product with additional customer options



PROGRAM

## Improving digital experience



ACTIVITIES

- Utilizing technology and AI to efficiently aid customers with their questions and concerns

OUTCOME

- Enhanced customer care platforms result for decreased wait times and faster customer concern resolution

RESULTS AND IMPACT

- Help Center in CEB website and app (April 2023) for customer queries
- New Charlie virtual assistant on CEB website, app and Facebook messenger for addressing customer queries and concerns

PROGRAM

## Optimization of Ancillaries



ACTIVITIES

- Development of the intuitive interfaces, streamlined processes and workflows for CEB TravelSure
- Enhanced CEB Baggage Policy

OUTCOME

- Improvement in customer experience and workload reduction
- Safeguarding trips of passengers against unforeseen incidents
- Increases opportunities for growth with expanded markets
- Flexible baggage options for passengers
- Improved baggage handling for faster operations and efficiency

RESULTS AND IMPACT

- CEB Travelsure Self-Service Portal (managed by Chubb) for accessing and managing insurance related information
- CEBTravelSure for International Markets
- 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.



PROGRAM

# Innovative petrochemical products and solutions



ACTIVITIES

- Collaboration with leading third-party institution, UL Solutions, towards verification of sustainability claims for JGSOC products

OUTCOME

- Energy cost savings
- Embedding sustainability in EVALENE PLUS® branding
- Increased sales and market share of polymer polypropylene grades with “green” certifications

RESULTS AND IMPACT

- 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

PROGRAM

# Wellness Criteria



ACTIVITIES

- Launched Nova Nacho Cheese and Nova Sweet Corn Flavor with real Malunggay leaves in the Snackfoods category
- Started using natural colors for our snack products
- Expanded the shift to include our bakery products Wafrets Bar Choco Vanilla, Magic Chips Sour Cream and Onion, Magic Chips Cheese, Magic Chips BBQ, Magic Creams Butter and Magic Flakes Sweet Buttermilk in the past two years
- 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

OUTCOME

- Continue to innovate our products to provide consumers with good food choices that they will enjoy

RESULTS AND IMPACT

- 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
- At the end of 2023, we have in our product portfolio a significant number of products well within most of the Risk Reduction Criteria Thresholds.
  - 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 <10% of total calories, 99% for <230 Calories/serving, 66% to 1mg Sodium is to 1 Kcal Product, and 90% for 0 Trans Fat and 0 Cholesterol



## PROGRAM

## Green Buildings Certification



## ACTIVITIES

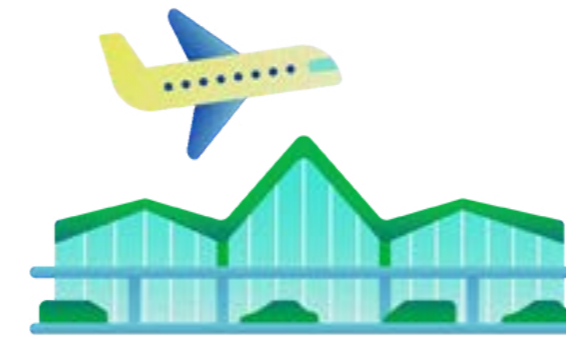
- Leadership in Energy and Environmental Design (LEED) and EDGE Certification

## OUTCOME

- Improved building credentials required by tenants

## RESULTS AND IMPACT

- 6 buildings certified:
  - Cyberscape – Alpha, Beta, Gamma
  - Cybergate Cebu
  - Cyber Omega
  - Giga, Tera, Exxa & Zeta Tower



## 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., examined data security, backup processes, and IT business continuity as part of the IATA Operational Safety Audit and 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. The award was based on CEB's performance in the ASEAN Corporate Governance Scorecard as reported in its 2022 Integrated Annual Corporate Governance Report. This report measured CEB's conformance with the Philippine Code of Corporate Governance and other international practices.





# Annexes

# 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	
		<i>per 17A</i>	<i>Including RBank</i>	<i>per 17A</i>	<i>Including RBank</i>
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, the 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. 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 A report called "Net income from discontinued operations."

For purposes of the sustainability report, references should be made to the total JGS 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)

<sup>4</sup>JGS 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

# Environmental Performance

## Energy consumption with 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, JGS-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, JGS-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
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	URC
LNG	GJ	104,037	106,268	169,254	URC
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, JGS-CCU
Energy Intensity	GJ/MPhp	78.18	94.42	102.84	URC, RLC, CEB, JGSOC, RBank, JGS-CCU

<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



## 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, JGS-CCU
Gross Direct (Scope 1) GHG Emissions	tCO <sub>2</sub> e	1,479,011	2,114,530	2,171,880	URC, RLC, CEB, JGSOC, RBank, JGS-CCU
Gross Energy Indirect (Scope 2) GHG Emissions	tCO <sub>2</sub> e	290,042	391,600	302,488	URC, RLC, CEB, JGSOC, RBank, JGS-CCU
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, JGS-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
Volatile organic pollutants (VOC)	tonnes	-	-	-	
Hazardous Air Pollutants (HAP)	tonnes	-	-	-	
Particulate Matter (PM)	tonnes	28.63	365.65	158.63	URC, RLC, JGSOC

### Note

1. All stationary, mobile, and vehicular equipment of JGS 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	m <sup>3</sup>	27,787,228	26,534,593	26,158,218	URC, RLC, CEB, JGSOC, RBank, JGS-CCU
Third-Party Water	m <sup>3</sup>	-	8,295,525	8,489,120	
Ground Water	m <sup>3</sup>	-	10,719,582	10,629,357	URC, RLC, JGSOC
Surface Water	m <sup>3</sup>	-	4,974,552	5,426,496	URC
Sea Water	m <sup>3</sup>	-	2,544,934	1,613,245	JGSOC
Water discharge	m <sup>3</sup>	6,984,030	7,578,379	9,113,680	URC, RLC, CEB, JGSOC, RBank
Water consumption	m <sup>3</sup>	20,803,198	18,956,215	17,044,537	URC, RLC, CEB, JGSOC, RBank, JGS-CCU
Water Intensity	m <sup>3</sup> /MPhp	-	-	72.89	
Water recycled and reused	m <sup>3</sup>	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
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

<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

<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)



# 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 the 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	JGS-CCU
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, JGS-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>	

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

<sup>12</sup>Attrition rate is calculated using the 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 in the specific region. JGS is compliant with the minimum wage requirement



## 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, JGS-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	

## Employees by Contract Type

Disclosure	Unit	2021	2022	2023	2023 Boundaries
Regular	#	18,596	7,926	21,248	URC, RLC, CEB, JGSOC, RBank, JGS-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, JGS-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, JGS-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, JGS-CCU
National Capital Region	#	6,334	5,346	RLC, CEB, JGSOC, RBank, JGS-CCU
Luzon (outside NCR)	#	2,234	3,585	
Visayas	#	993	1,561	
Mindanao	#	323	582	
International		65	5,423	URC, CEB, JGSOC
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, JGS-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, JGS-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, JGS-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, JGS-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, JGS-CCU
Male	#	-	873	1,689	
Female	#	-	1,106	1,500	

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

## 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, JGS-CCU
Millennial (27-41)	#	-	1,328	1,920	
Gen X (42-56)	#	-	157	327	
Baby Boomer (57 and up)	#	-	49	96	

<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, JGS-CCU
Middle managers and supervisors	#	-	671	1,009	
Rank-and-file permanent	#	-	1,051	1,497	
Professional/Technical	#	-	209	642	

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



## 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, JGS-CCU
Involuntary	#	147	126	939	

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

## 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, JGS-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>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

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

Disclosure	Y/N	% of male employees who availed for the year	% of male employees who availed for the year	Boundaries
<b>SSS</b> 1. Salary Loan 2. Parental Benefit 3. Sickness Benefit	Y	3.76% 0% 0.75%	7.03% 2.16% 0.54%	JGS-CCU <sup>20</sup>
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%	



Disclosure	Y/N	% of male employees who availed for the year	% of male employees who availed for the year	Boundaries
Retirement fund (aside from SSS)	Y	0%	0%	JGS-CCU <sup>20</sup>
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 3. Uniform Allowance 4. Other Employee Perks and Partnerships	Y	100%	100%	

<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 JGS 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	476,652	URC, RLC, CEB, JGSOC, JGS-CCU
Male	hours	81,840	71,576	80,649	RLC, CEB, JGSOC, JGS-CCU
Female	hours	81,255	78,082	38,296	
Average training hours per employee	hours/employee	20.91	16.93	21.34	URC, RLC, CEB, JGSOC, JGS-CCU
Male	hours/employee	6.49	15.42	18.10	RLC, CEB, JGSOC, JGS-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, JGS-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.
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, JGS-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 JGS to whom the Code of Business Conduct have been communicated to
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	%	100	This total accounts for suppliers in JGS 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.
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

<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.



## Incidents of Corruption

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

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

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

The ISMS consists of the following:

**1. Core Information Security Policies** drive the primary objectives of the ISMS: establish, maintain, and improve information security

**1.1. Information Security Policy** aims to establish, maintain, and continuously improve the ISMS to protect information assets, maintaining competitive advantage and increasing stakeholders' confidence.

**1.2. Information Asset Management Policy** aims to define and classify information assets in both physical and electronic formats and provide guidance on how to appropriately handle information assets according to classification.

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

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

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

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

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

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

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

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

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

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



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

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

**4.1. Cryptographic Controls Policy** aims to apply cryptographic controls (i.e. encryption) on confidential electronic information (e.g. files, databases), to add another layer of protection and prevent unauthorized use or disclosure.

**4.2. Operations Security Policy** aims to apply appropriate controls to ensure that day to day operations are carried out in a controlled and a secure manner.

**4.3. Communications Security Policy** aims to implement measures that will protect information as it moves both within the corporate network and outward.

**4.4. Data Security Policy** aims to implement measures to protect corporate information from possible loss and leakage, avoiding breaches to legal, statutory or contractual obligations.

**4.5. Secure Development Policy** aims to protect corporate information and minimize breaches by ensuring that information security is taken into consideration when developing or acquiring systems and services.

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

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

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



# Biodiversity

Habitats Protected or Restored





## Brgy. Tapon, Dumanjug, Cebu

Area: 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

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 resilient biodiversity.

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.





## Philippine Eagle Center

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.





## Wetland No. 8 in Boracay

Area: 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

Area: 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

Area: ~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 planted. The success of this initiative is made possible through partnerships with DENR, LGU, the host barangays, and with various NGOs and universities.





## URC-wide tree planting and nurturing activities

Area: 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**

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, power plants, food manufacturing facilities, and similar companies.

**Protected Areas affected by Operations**

Batangas Bay is within a Key Biodiversity Area located in the Verde Island Passage.

**International Union for Conservation of Nature (IUCN) Red List Species in protected areas affected by Operation**

The company has no operations affecting the habitats of species listed in the IUCN red list of threatened species and national conservation list species.

**IUCN Red List Category**

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

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 surround Davao Gulf, which is listed by the DENR-Biodiversity Management Bureau as Key Biodiversity Area.

Davao Gulf situated in the southeastern part of Mindanao, is one of the priority conservation areas of the Sulu-Sulawesi Marine Ecoregion. It is a breeding and nursery ground for small and large species, with frequent sightings of whale sharks, dugongs, and leatherback turtles, among the list of species cited in the Convention on the International Trade of Endangered Species. (Source: WWF)



## International Union for Conservation of Nature (IUCN) Red List Species in protected areas affected by Operation

The company has no operations affecting the habitats of species listed in IUCN17 Red list species and national conservation list species.

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### Protected Areas affected by Operations

n/a

# Annex B

ISSB Climate Disclosure Index (IFRS-S2)



## Governance

CLIMATE DISCLOSURE	JGS CLIMATE REPORT REFERENCES	PAGE NUMBER
A. Board’s oversight of climate-related risks and opportunities	<a href="#">III. Section a. The Board holds the principal oversight of climate-related risks and opportunities</a>	195
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>	196-197

## Strategy

CLIMATE DISCLOSURE	JGS CLIMATE REPORT REFERENCES	PAGE NUMBER
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>	188-191
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>	183-184
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>	192

## Risk Management

CLIMATE DISCLOSURE	JGS CLIMATE REPORT REFERENCES	PAGE NUMBER
A. Organization’s processes for identifying and assessing climate-related risks	<a href="#">IV. Section b. Risk Identification, Assessment and Prioritization</a>	201
B. Organization’s processes for managing climate-related risks	<a href="#">IV. Risk Management</a>	199-203
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>	199-203

## Metrics and Targets

CLIMATE DISCLOSURE	JGS CLIMATE REPORT REFERENCES	PAGE NUMBER
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>	204
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>	205-206
C. Processes for identifying, assessing, and managing climate-related risks that are integrated into the organization’s overall risk management	<a href="#">V. Section a. Metrics and Targets for Physical Risks</a> <a href="#">V. Section b. GHG Emissions Metrics and Targets</a> <a href="#">V. Section c. Looking Ahead</a>	204-208

# Annex C

Philippine SEC Sustainability Reporting for Publicly  
Listed Companies Content Index



Disclosure	Section	Page Number
Contextual Information	<a href="#">Our Company</a>	55-57
Economics		
Economic Performance	<a href="#">Stakeholder Engagement</a> , <a href="#">Shared Success</a> , <a href="#">EESG Performance Indices</a>	151-160, 236-269, 308
Procurement Practices	<a href="#">Stakeholder Engagement</a> , <a href="#">Our Sustainability Focus Areas and ESG Targets</a> , <a href="#">Duty to Other Stakeholders</a> , <a href="#">EESG Performance Indices - Supplier Accreditation</a>	151-160, 164, 468, 376
Anti-Corruption	<a href="#">Corporate Governance Policies</a> , <a href="#">Risk Disclosure</a> , <a href="#">EESG Performance Indices</a>	452, 457, 493, 339-340
Environment		
Resource Management	<a href="#">Our Sustainability Focus Areas and ESG Targets</a> , <a href="#">Climate Action</a> , <a href="#">Risk Disclosures</a> , <a href="#">EESG Performance Indices</a>	164-169, 210-226, 485-494, 311-314
Energy consumption within the organization	<a href="#">Climate Action</a> , <a href="#">EESG Performance Indices</a>	210-226, 311
Water consumption within the organization	<a href="#">Resource Efficiency and Circularity</a> , <a href="#">EESG Performance Indices</a>	227-235, 314
Materials used by the organization	<a href="#">Resource Efficiency and Circularity</a> , <a href="#">Risk Disclosures</a> , <a href="#">EESG Performance Indices</a>	227-235, 490, 315

Disclosure	Section	Page Number
Ecosystems and Biodiversity	<a href="#">EESG Performance Indices</a>	345-356
Environmental Impact Management		
Air emissions	<a href="#">Climate Action</a> , <a href="#">Risk Disclosures</a> , <a href="#">EESG Performance Indices</a>	210-226, 488, 490, 312
Air pollutants	<a href="#">Risk Disclosures</a> , <a href="#">EESG Performance Indices</a>	488, 490, 312-313
Solid and hazardous wastes	<a href="#">Our Sustainability Focus Areas and ESG Targets</a> , <a href="#">Resource Efficiency and Circularity</a> , <a href="#">Risk Disclosures</a> , <a href="#">EESG Performance Indices</a>	167, 227-235, 488, 490, 316
Effluents	<a href="#">Resource Efficiency and Circularity</a> , <a href="#">EESG Performance Indices</a>	227-235, 314
Environmental Compliance	<a href="#">Our Signature Initiatives – Juan Goal for Plastics</a> , <a href="#">Stakeholder Engagement</a> , <a href="#">Risk Disclosures</a>	143-145, 157-158, 488, 490
Non-compliance with environmental laws and regulations	<a href="#">Risk Disclosures</a> , <a href="#">EESG Performance Indices</a>	488, 317
<b>Social</b>		
Employee Management	<a href="#">Stakeholder Engagement</a> , <a href="#">Our Sustainability Focus Areas and ESG Targets</a> , <a href="#">Employee Growth and Well-being</a> , <a href="#">Duty to Other Stakeholders</a> , <a href="#">Risk Disclosure</a> , <a href="#">EESG Performance Indices</a>	154, 168, 270-293, 466-473, 487-490, 318-338

Disclosure	Section	Page Number
Employee data	<a href="#">EESG Performance Indices</a>	318-332
Employee benefits	<a href="#">EESG Performance Indices</a>	333-334
Employee training and development	<a href="#">Employee Growth and Well-being</a> , <a href="#">Duty to Other Stakeholders</a> , <a href="#">EESG Performance Indices</a>	270-293, 472, 335
Labor-management relations	<a href="#">EESG Performance Indices</a>	336
Diversity and equal opportunity	<a href="#">EESG Performance Indices</a>	332
<b>Workplace Conditions, Labor Standards, and Human Rights</b>		
Occupational health and safety	<a href="#">Employee Growth and Well-being</a> , <a href="#">EESG Performance Indices</a>	270-293, 338
Labor laws and human rights	<a href="#">EESG Performance Indices</a>	336-337
Supply Chain Management	<a href="#">Stakeholder Engagement</a> , <a href="#">Our Sustainability Focus Areas and ESG Targets</a> , <a href="#">Risk Disclosures</a> , <a href="#">Duty to Other Stakeholders</a> , <a href="#">EESG Performance Indices - Supplier Accreditation</a>	153-160, 169, 485-493, 468, 376-377
Relationship with Community	<a href="#">Signature Initiatives – Juan Commitment</a> , <a href="#">Stakeholder Engagement</a> , <a href="#">Shared Success</a> , <a href="#">Risk Disclosures</a>	148-149, 157, 236-269, 492-493



Disclosure	Section	Page Number
Significant impacts on local communities	<a href="#">Signature Initiatives – Juan Commitment</a> , <a href="#">Shared Success</a>	148-149, 236-269
Customer Management	<a href="#">Stakeholder Engagement</a> , <a href="#">Better Choices</a> , <a href="#">Duty to Other Stakeholders</a> , <a href="#">EESG Performance Indices</a>	158, 294-302, 466, 340-344
Customer satisfaction	<a href="#">Stakeholder Engagement</a> , <a href="#">Better Choices</a> , <a href="#">Risk Disclosures</a>	158, 294-302, 492
Customer health and safety	<a href="#">Stakeholder Engagement</a> , <a href="#">Better Choices</a> , <a href="#">Risk Disclosures</a>	158, 294-302, 492
Customer privacy	<a href="#">Stakeholder Engagement</a> , <a href="#">Risk Disclosures</a>	158, 294-302, 492
Data Security	<a href="#">Risk Disclosure</a> , <a href="#">EESG Performance Indices</a>	487, 340-344
United Nations Sustainable Development Goals		
Product or Service Contribution to UN SDGs	<a href="#">Climate Action</a> , <a href="#">Resource Efficiency and Circularity</a> , <a href="#">Shared Success</a> , <a href="#">Employee Growth and Well-being</a> , <a href="#">Better Choices</a>	210-305

# Annex D

## GRI Content Index

## Statement of use

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.

## GRI 1 used

GRI 1: Foundation 2021





GRI Standard	Disclosure	Section	Page Number
GRI 2: General Disclosures 2021	2-1 Organizational details	<a href="#">Our Company</a>	55-57
	2-2 Entities included in the organization's sustainability reporting	<a href="#">Corporate Structure, Strategic Business Units</a>	55-57
	2-3 Reporting period, frequency and contact point	January 1 - December 31, 2023, <a href="#">Corporate Directory</a>	498
	2-4 Restatements of information	NA	
	2-5 External assurance	No external assurance	
	2-7 Employees	<a href="#">EESG Performance Indices - Employee Data</a>	318-332
	2-9 Governance structure and composition	<a href="#">Corporate Governance</a>	412-438
	2-10 Nomination and selection of the highest governance body		
	2-11 Chair of the highest governance body		412-456
	2-12 Role of the highest governance body in overseeing the management of impacts		
	2-13 Delegation of responsibility for managing impacts		
	2-14 Role of the highest governance body in sustainability reporting	<a href="#">The Board Committees</a>	418-452

GRI Standard	Disclosure	Section	Page Number
	2-15 Conflicts of interest	<a href="#">Conflict of Interest Policy, Conflict of Interest Disclosures</a>	454, 459
	2-16 Communication of critical concerns	<a href="#">Whistleblowing</a>	459-461
	2-17 Collective knowledge of the highest governance body	<a href="#">Board Training and Orientation</a>	431-432
	2-18 Evaluation of the performance of the highest governance body	<a href="#">Board Progress and Development</a>	429-432
	2-19 Remuneration policies	<a href="#">2023 Board Remuneration, Succession Planning and Remuneration Policy</a>	433, 456
	2-20 Process to determine remuneration	<a href="#">2023 Board Remuneration</a>	433
	2-21 Annual total compensation ratio		433-439
	2-22 Statement on sustainable development strategy	<a href="#">Stakeholder Engagement, Our Approach to Managing Climate Risks, Enterprise Risk Management and Internal Controls</a>	151-161, 172-208, 474-494
	2-23 Policy commitments	<a href="#">Labor Laws and Human Rights</a>	336-337
	2-24 Embedding policy commitments	<a href="#">Employee Growth and Well-Being, Conflict of Interest Disclosures, Risk Disclosures, Supplier Accreditation</a>	270-293, 459, 485-493, 375-377

GRI Standard	Disclosure	Section	Page Number
	2-25 Processes to remediate negative impacts	<a href="#">Whistleblowing, Labor Laws and Human Rights</a>	455, 335-337
	2-26 Mechanisms for seeking advice and raising concerns	<a href="#">Board Training and Orientation, Revised Corporate Governance Manual ("RCGM") and Corporate Governance Policies</a>	431-432, 452-461
	2-27 Compliance with laws and regulations	<a href="#">Non-compliance with Environmental Laws and Regulations</a>	317
	2-28 Membership associations	<a href="#">Board Progress and Development</a>	429-430
	2-29 Approach to stakeholder engagement	<a href="#">Stakeholder Engagement, Corporate Governance - Stakeholder Engagement</a>	151-171, 463-473
	2-30 Collective bargaining agreements	<a href="#">Labor Management Relations</a>	336
GRI 3: Material Topics 2021	3-1 Process to determine material topics	<a href="#">Stakeholder Engagement</a>	152-161
	3-2 List of material topics		
	3-3 Management of material topics	<a href="#">Our Sustainability Performance</a>	209-305
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	<a href="#">Shared Success, Economic Performance</a>	236, 308-309
	201-2 Financial implications and other risks and opportunities due to climate change	<a href="#">Our Approach to Managing Climate Risks</a>	172-208



GRI Standard	Disclosure	Section	Page Number
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	<a href="#">Employee Data</a>	318
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	<a href="#">Procurement Practices</a>	310
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	<a href="#">Compliance Monitoring and Implementation</a>	457-458
	205-2 Communication and training about anti-corruption policies and procedures	<a href="#">Training on Anti-corruption Policies and Procedures</a>	339-340
	205-3 Confirmed incidents of corruption and actions taken	<a href="#">Incidents of Corruption</a>	340
GRI 301: Materials 2016	301-1 Materials used by weight or volume	<a href="#">Material used by the organization</a>	315
	301-2 Recycled input materials used		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	<a href="#">Energy consumption within the organization</a>	311
	302-3 Energy intensity		
	302-4 Reduction of energy consumption	<a href="#">Climate Action, Energy consumption within the organization</a>	210-226, 311
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	<a href="#">Resource Efficiency and Circularity</a>	227-235
	303-2 Management of water discharge-related impacts		

GRI Standard	Disclosure	Section	Page Number
	303-3 Water withdrawal	<a href="#">Water consumption within the organization</a>	314
	303-4 Water discharge		
	303-5 Water consumption		
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<a href="#">Operational Sites affecting Biodiversity Protected Areas</a>	353-356
	304-2 Significant impacts of activities, products and services on biodiversity	<a href="#">Biodiversity</a>	345-356
	304-3 Habitats protected or restored	<a href="#">Habitats Protected or Restored</a>	345-356
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	<a href="#">Operational Sites affecting Biodiversity Protected Areas</a>	353-356
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	<a href="#">GHG Emissions</a>	312
	305-2 Energy indirect (Scope 2) GHG emissions		312
	305-3 Other indirect (Scope 3) GHG emissions		312
	305-4 GHG emissions intensity		312
	305-5 Reduction of GHG emissions	<a href="#">Climate Action, GHG Emissions</a>	210-226, 312

GRI Standard	Disclosure	Section	Page Number
	305-6 Emissions of ozone-depleting substances (ODS)	<a href="#">GHG Emissions</a>	312
	<a href="#">305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions</a>	<a href="#">Air Pollutants</a>	313
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	<a href="#">Resource Efficiency and Circularity</a>	227-235
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated	<a href="#">Waste Generation</a>	316
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	<a href="#">Social</a>	324-331
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<a href="#">Employee Benefits</a>	333-334
	401-3 Parental leave		333
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	<a href="#">Employee Growth and Well-Being, Our ESG Targets</a>	270-293, 162-171
	403-2 Hazard identification, risk assessment, and incident investigation	<a href="#">Risk Disclosures</a>	485-493



GRI Standard	Disclosure	Section	Page Number
	403-3 Occupational health services	<a href="#">Health, Safety and Welfare</a>	468-469
	403-6 Promotion of worker health	<a href="#">Employee Growth and Well-Being</a>	287-291
	403-9 Work-related injuries	<a href="#">Occupational Health and Safety</a>	338
	403-10 Work-related ill health		
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	<a href="#">Training hours provided to employees</a>	335
	404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">Employee Growth and Well-Being</a>	270-293
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	<a href="#">Employee Growth and Well-Being, Balanced Board and Diversity, Diversity and Equal Opportunity</a>	274, 289-291, 415-416, 332
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<a href="#">Employee Growth and Well-Being, Labor Management Relations</a>	289-291, 336
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	<a href="#">Labor Laws and Human Rights</a>	336-337
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		337

GRI Standard	Disclosure	Section	Page Number
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	<a href="#">Shared Success</a>	236-269
	413-2 Operations with significant actual and potential negative impacts on local communities		
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">Stakeholder Engagement Results, Duty to Other Stakeholders</a>	158, 466
GRI 417: Marketing and Labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	<a href="#">Stakeholder Engagement Results</a>	158
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<a href="#">Stakeholder Engagement Results, Internal Controls</a>	158, 494

# Annex E


## Supplier Accreditation

Execution of this policy is on a per SBU basis. JGS 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.



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.

	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
	SUBJECT	SUPPLIER ACCREDITATION IMPLEMENTING GUIDELINES

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.

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

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

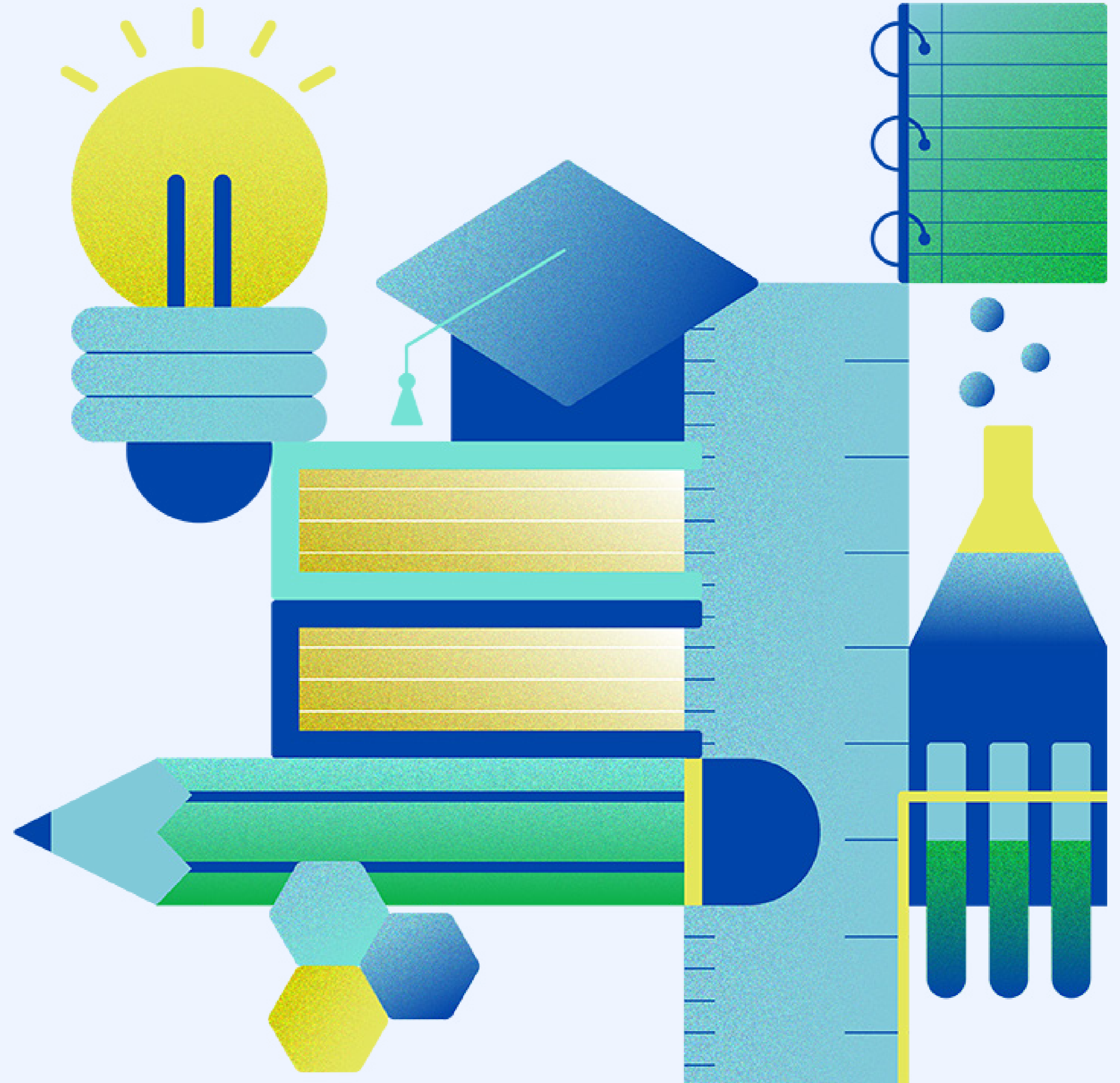
Note that Internal Suppliers, e. g. Employees Government Agencies and similar Institutions, shall be handled separately and will not form part of the responsibilities of Strategic Procurement Group.

 JG SUMMIT HOLDINGS, INC.	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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# Gokongwei Brothers Foundation





# Gokongwei Brothers Foundation

2023 Report



# The Year at a Glance

The Gokongwei Brothers Foundation journeyed through the year with remarkable momentum in creating pathways to possibilities for Filipino learners and educators. GBF has continued to find inspiration in the battle cry “Posible” in closing its 30th year long anniversary. With greater clarity and conviction, GBF persisted in 2023 in its efforts to sow seeds of positive change and take action to make things possible for Philippine education.

In 2023, GBF brought together, for the first time, its stakeholders, partners, and program recipients from different sectors during its 30th anniversary culminating event. Before them, in keeping with the occasion’s spirit of gratitude and solidarity, GBF declared its continued commitment to building the future through education—with focus on advancing STEM education and intensifying support for educators.

GBF’s flagship program for educators, the “GBF Class Builder,” was unveiled at the event. Co-developed with the global innovation company IDEO and public school teachers themselves, the GBF Class Builder is a teacher’s partner in delivering great STEM lessons while they master their craft. Ultimately, the goal of Class Builder and its teacher partner is to improve the science and math learning outcomes of our students.

In 2021, GBF began putting into action a five-year plan of taking part in the learning journey of 10,000 educators and one million learners. Only three years into the endeavor, GBF has surpassed its initial goal—serving over 17,000 educators and over 1.5 million learners from 2021 to 2023 alone.





Juan Kapatid for Resilience

**17,198**

**Educators** 

**1,589,889**

**Learners** 



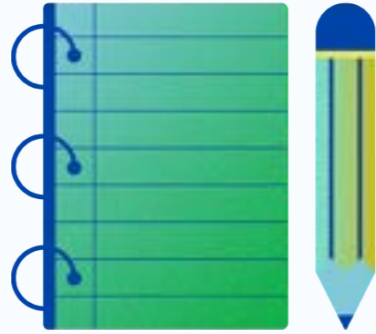
GBF's five-year plan is driven by the following strategic imperatives in service of Filipino learners and educators:



Elevate educator's professional development



Increase the underprivileged sector's access to quality education



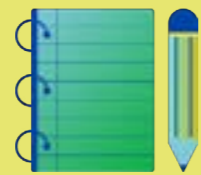
Create quality content that is accessible to educators and learners



Support the growth of STEM and digitally-enabled learners and professionals

# 2023 Milestones

## By the Numbers



Educators Programs

**30,000**

educators in a teacher community

**6,673**

teachers trained



Scholarships

**2,749**

lifetime scholars

**1,446**

lifetime graduates



Juan Community for Education

**2,292**

learners served

**135**

schools served







## Educators Programs

GBF believes that educators are heroes of change who play a crucial role in nurturing Filipino learners—our future leaders and workforce. They are also key to scaling and sustaining the impact to learners that the foundation wants to achieve. The organization is dedicated to providing educators with support to grow in their professions, develop their competencies, advocate for their well-being, and build their networks.



*EDP held within class*



# STEM Collab

STEM Collab is a trusted community of STEM educators. Launched in 2022, the community housed on Facebook helps its members expand their skills through live online learning sessions, community engagement activities, and peer learning opportunities.

## STEM Collab by the numbers in 2023

---

**30,000**

members

**13,400**

resource downloads

**6,600**

teachers issued with certifications

**28**

live online learning sessions

**718**

average live online learning session attendees

**230,000**

social media engagements

# Class Builder

In 2023, GBF unveiled its flagship program for educators—the **GBF Class Builder**, a platform for STEM educators to create innovative and engaging lessons while developing their content mastery and pedagogy.

The GBF Class Builder platform provides interactive coaching to STEM teachers in the process of preparing for their upcoming classes. It builds teacher skills by walking them through lesson content, teaching strategies, and effective facilitation techniques while providing ready-to-use and customizable lesson materials.

Since 2022, GBF has worked with IDEO, a global innovation company and leading proponent of design thinking, to ideate and develop the program. For School Year 2023–2024, GBF has implemented the Class Builder’s beta phase by extending the platform’s operational version in pilot partner schools.

## GBF Class Builder by the numbers in 2023

As of December 2023, or 40% of SY 2023–2024

**36**

lessons in Grade 4  
mathematics produced

**29**

public school partners in Region 4A  
and NCR

**73**

math teachers engaged

**14,600**

learners reached

# Scholarships

GBF continues to be one of the biggest private sector providers of STEM-related scholarships in the Philippines. In 2023, GBF welcomed 467 new scholars, reaching over 2,700 scholar supported since 2016.

**1,000**

2023 total scholars on board

**467**

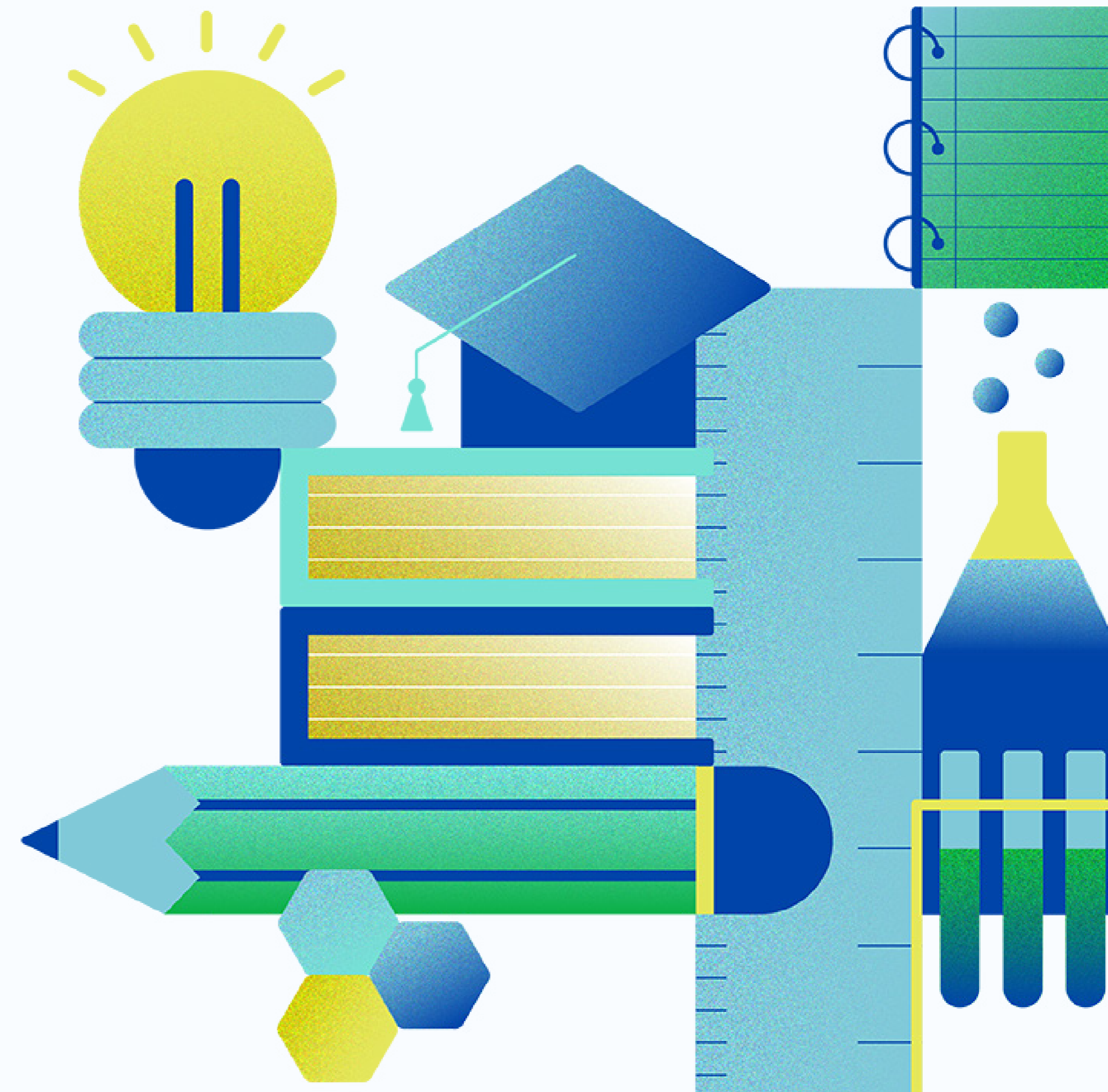
Learners (High School & College)

**461**

Educators (College & Masters)

**72**

Iskolar ni Juan (Tech-Voc)





EDUCATORS

## Scholarships

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**301 Scholars**

**TeachSTEM College Scholarships**

2018

For undergraduate students who aspire to teach STEM in public schools

**160 Scholars**

**TeachSTEM Master's Scholarship**

2019

For public school teachers and college instructors who champion STEM and aspire to become academic leaders

# STEM Scholarships

---

**250 Scholars**

**GBF-Gokongwei Group  
STEM Scholarship  
for Excellence**

2011

For outstanding students and future STEM professionals requiring financial assistance to pursue their STEM undergraduate degree in centers of excellence

**30 Scholars**

**STEM Agri Senior High  
School and College  
Scholarship**

2020

For URC partner sugarcane and potato planter-farmers' children enrolled in agriculture-related fields of study

**25 Scholars**

**Young Scientist Award  
Scholarship**

2019

For outstanding finalists of leading Philippine-based STEM and innovation competitions

# Scholarships with Affiliates and Partners

---

**121 Scholars**

**Next Gen Scholarship for Excellence**

2010

For Gokongwei Group employees' children and siblings who demonstrate academic excellence and leadership potential

**8 Scholars**

**DLSU Gokongwei College of Engineering Grant**

2012

For outstanding students taking any undergraduate degree program at DLSU Gokongwei College of Engineering

**8 Scholars**

**Ateneo John L. Gokongwei Scholarship**

2006

For outstanding students taking any undergraduate degree program at the Ateneo John Gokongwei School of Management

**10 Scholars**

**Go Family Association College Scholarship**

2019

For outstanding members of the Go clan



LEARNERS

## High School Scholarship

---

**10 Scholars**

**St. Stephen High School Scholarship**

2012

For select students of St. Stephen High School

**5 Scholars**

**Xavier-Zuloaga Scholarship Fund**

2020

For select students of Xavier High School

LEARNERS

## Technical-Vocational Scholarship

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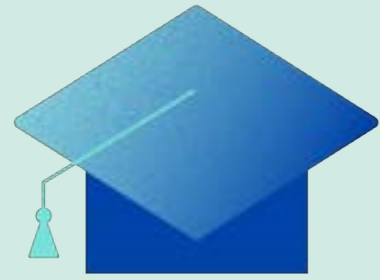
**72 Scholars**

**Iskolar ni Juan Tech-Voc Scholarship Program**

2014

For senior high school graduates with technical inclination and in dire financial need. A fully subsidized one-year technical-vocational training at the GBF Technical Training Center, with work immersion and employment opportunity at Universal Robina Corporation.



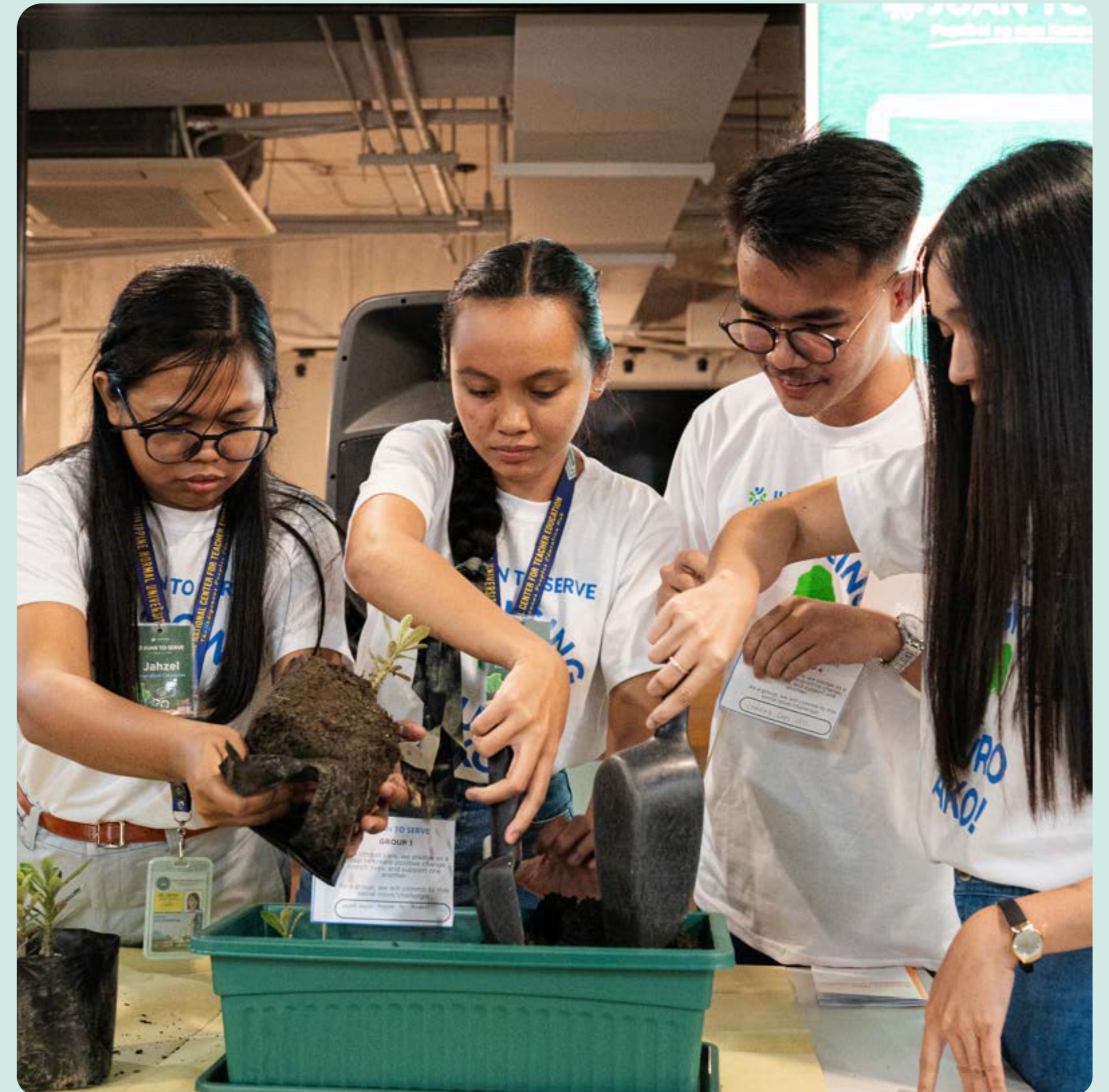


## Scholar Development

GBF prepares its scholars to become future industry champions, community leaders, and education advocates through enrichment programs incorporated in their scholarship journey. After onboarding, milestones in the GBF scholar journey include leadership development, upskilling to career preparation, employment, and contributing expertise as GBF alumni.

## Juan to Serve

Juan to Serve (JTS) seeks to support GBF scholars in navigating the path of self-discovery and to promote a culture of continuous learning and giving back. It aims to build a community of servant leaders who possess a strong sense of self and others. In 2023, 100 scholars joined the intensive cohort program of servant leadership, social realities, community service, and creating positive impact.







## PWR Up

Through PWR Up (Program for Workforce Readiness through Upskilling), GBF equips scholars with skills for the 21st century workplace. In 2023, GBF together with Habi Education Lab trained 70 scholars on design thinking as a learning framework. Their capstone projects revolved around solutions for challenges in their immediate communities.





## Juan Community

GBF strives to contribute to building the nation, one community at a time, through strong and sustainable STEM education programs. Through Juan Community, GBF seeks to encourage and support communities to work together toward building a better future through education.



*EDP held within class*



# Juan Kapatid

Juan Kapatid (JK) is GBF's community-based learning recovery program that aims to build on foundational skills in literacy and numeracy of learners through teachers. It is GBF's response to the pressing need to ensure that no Filipino child is left behind and to close the learning gap among our learners.

JK employs a Teaching-At-The-Right-Level (TARL) approach championed by GBF's implementing partner AHA Learning Center. The program also integrates socio-emotional learning and actively mobilizes teachers and parents.

Under JK, "struggling learners" are called "JK Achievers" and are supported through a journey from "kaya kong sumubok," to "kaya kong maging," to "kaya kong magbigay."

From 57 JK Achievers in one partner school during its pilot year in 2021, JK served 2,268 grades 3 to 6 learners in 2023 through a hundred teachers in 20 public schools in CALABARZON.

In July 2023, "JK Teachers" took part in a five-day intensive fellowship program on transformative and holistic approaches to learning recovery. The JK Teacher Summit was made possible through GBF's partnership with the Department of Education Region 4A CALABARZON and the generous support of Shang Properties, Inc., Kerry Foundation Philippines, and Universal Robina Corporation.

Aside from holding after-school literacy and numeracy remedial classes for the learners, JK Teachers also actively engage the learners' parents in order to ensure a strong support system for them at home.

## Juan Kapatid by the numbers in 2023

---

**2,292**

JK Achievers supported

**100**

JK Teachers from 20 public schools  
in CALABARZON engaged

**68%**

of non-readers in the cohort  
became readers after 30 out of 60  
remedial classes

**67%**

of non-numerates in the cohort can  
at least add after 30 out of 60  
remedial classes

## Juan Brigada Eskwela

Through Juan Brigada Eskwela, GBF supports learners and educators by providing their basic needs in school. GBF mainly delivers such assistance through participating in the Department of Education's annual Brigada Eskwela or nationwide school maintenance program.

In 2023, Juan Brigada Eskwela provided support to 135 schools with the generous help of True Value, Cebu Pacific, SC Johnson, and the Gokongwei Group through its newly launched Juan Commitment Employee Volunteerism Program.



# GBF Young Scientist Award



*Photo by DOST SEI*

GBF YSA is a recognition given to outstanding finalists of prestigious Philippine-based STEM and innovation competitions aiming to promote greater interest in innovation and the sciences among young Filipino learners. The award includes a STEM college scholarship grant.

In 2023, GBF partnered for the third straight year with the Department of Science and Technology Science Education Institute on their sixth cycle of “imake.wemake: create. innovate. collaborate.” competition. STEM college scholarships were awarded to three students from among the winning teams in the innovation competition for senior high school students.





## Advocacy

GBF furthers its advocacy for the advancement of STEM education and excellence in STEM fields by strategically supporting our partners' relevant initiatives.



# Support for DepEd & Education-Related Events

In 2023, GBF supported various initiatives backed by the Department of Education for learners and educators.

- National Learning Camp supported through the conduct of remediation and enrichment activities in reading, science, and mathematics at GBF public school partners in NCR and Region 4A
- National Teachers' Month supported through learning and wellness sessions for educators that were organized and hosted virtually by the GBF STEM Collab Community
- National Assembly of Education Leaders, an annual gathering for over 4,000 DepEd leaders and decision-makers, where we participated through a plenary presentation and a registration booth for the STEM Collab Community



## Endowments & Synergies

Recognizing the strength in collaboration, GBF synergizes with the leading academic institutions and educational movements to help elevate the quality of STEM education.





# Formal Partnership with the Department of Education

In 2023, GBF and the Department of Education have formalized their partnership through a memorandum of agreement. GBF is honored that the Department finds promise in its programs for learners and teachers. The formalized partnership enables closer cooperation and more responsive support on matters concerning the national education agenda. Ultimately, it will enable GBF to reach more students, teachers, and schools who are in need of educational support or opportunities.





# Support for the SMU Philippine Community Fund

GBF joins other Philippine foundations and industry leaders in supporting outstanding Filipino students who wish to pursue higher education at the Singapore Management University (SMU), one of the leading business schools in the world.

With its contribution to the SMU Philippine Community Fund, GBF will be able to support one Filipino scholar per year, in perpetuity. A GBF scholar at SMU is to receive partial postgraduate scholarship that covers a significant amount of the 1.5-year Master of IT.





# Khan Academy Philippines (KA Philippines, Inc.)

In 2023, GBF partnered with Sunshine Care Foundation Inc. to fund and support the growth of Khan Academy adoption in the Philippines. It aims to strengthen Philippine education through the introduction of a “Filipinized” version of Khan Academy for online learning in public and private schools across the country.

Khan Academy is a globally known nonprofit that offers “free, world-class education for anyone, anywhere.” They create a set of online tools and videos that help educate students. Their impact study shows that 30 minutes of “khan time” increased students’ competencies in subjects like math. Its website also includes supplementary practice exercises and materials for educators.

In 2023, Khan Academy Philippines was launched in 34 schools across Metro Manila and Dumaguete with quality localized learning materials for grade 4 mathematics.

## Core Membership at the Philanthropy Asia Alliance

GBF has joined the newly launched Temasek-led Philanthropy Asia Alliance (PAA). PAA convenes donors, knowledge experts, and program partners with the goal of accelerating the collective impact of philanthropic capital in Asia. The Alliance is expected to “build capabilities, capacities, and communities in the philanthropic sector, and harness multi-sector partnerships to catalyze Asian solutions for global challenges.”

As a core member of the organization, GBF together with Bloomberg Philanthropies, Bill & Melinda Gates Foundation, The Rockefeller Foundation, and 17 other leading nonprofits forms part of PAA’s Impact Action Council.



# University Endowments

GBF has supported centers of excellence and innovations in Philippine education through endowments that consist of significant allocations for student scholarships, faculty and student research, and facility improvement.

- Ateneo de Manila University John Gokongwei School of Management (2002)
- De La Salle University Gokongwei College of Engineering (2011)
- Ateneo de Manila University Gokongwei Brothers School of Education and Learning Design (2021)





# Gokongwei Brothers Foundation

2024 Outlook





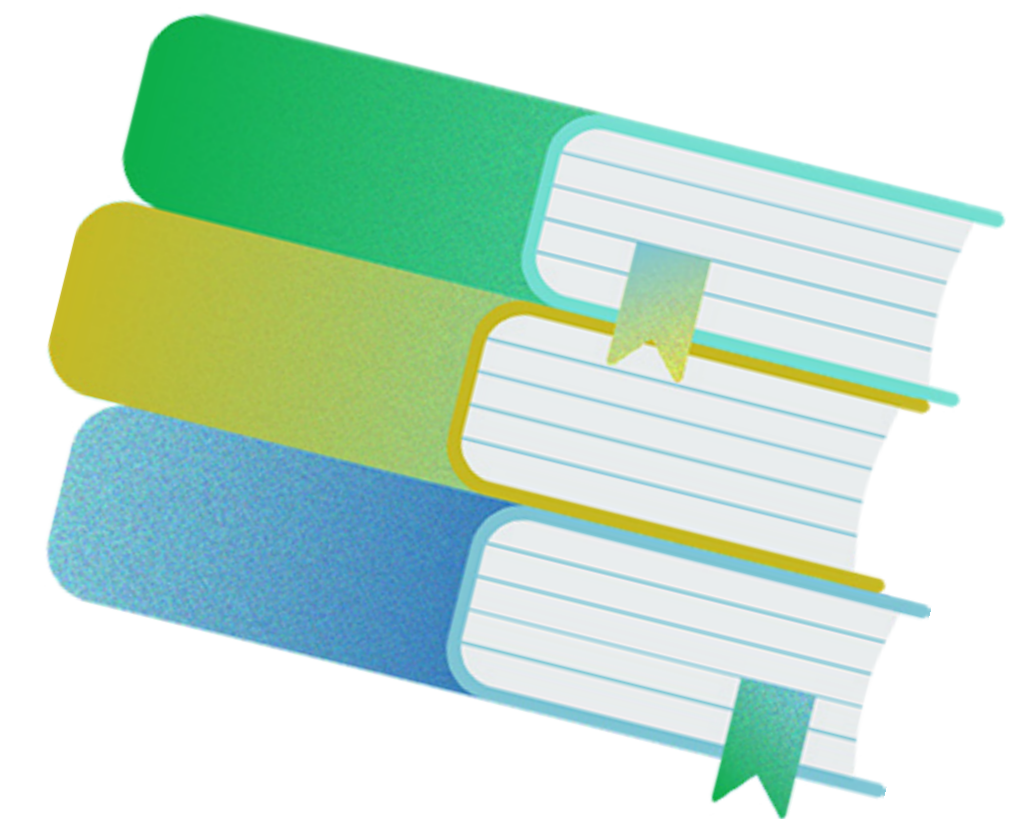
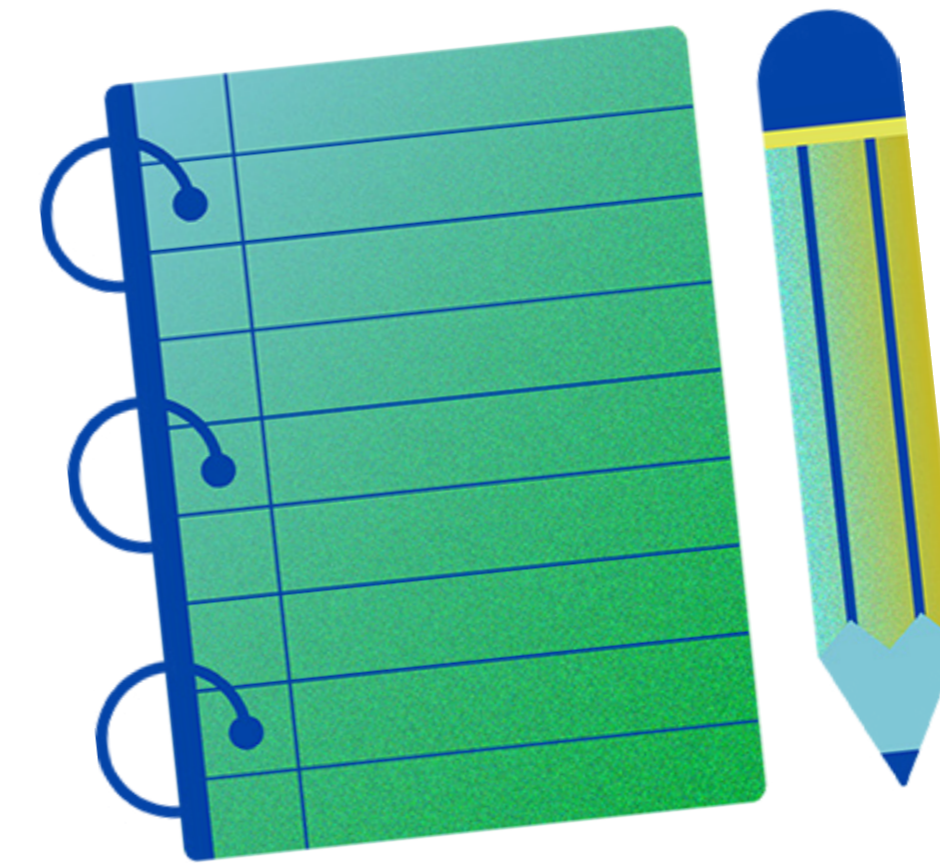
# Outlook for 2024 & Beyond

GBF is dedicated to rapidly scaling sustainable initiatives for Filipino educators and learners in light of the pressing need to address learning gaps and numerous other challenges facing the education sector.

GBF hopes to be in service of more than 17,000 educators in 2024 alone—roughly the same number of educators the group has helped over the previous three years.

Ultimately, at the heart of all GBFs efforts is uplifting our Filipino students, improving their competency in science and math which is the bedrock for critical thinking, problem solving, and innovation which our country direly needs.

The organization aims to serve 3.2 million learners in 2024, more than doubling its three-year impact reach in a single year.



# 2024 Plans and Targets

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**50,000**

Educators receiving timely and relevant professional development opportunities through the STEM Collab Community

**240,000**

Grade 4-5 Learners & **1,200** Teachers in **300** Schools supported with quality learning and teaching materials through GBF Class Builder

**1,173**

Scholars Supported

**250**

Scholars Empowered through Juan to Serve leadership development program and career-assistance activities

**4,300**

Learners helped in achieving age-appropriate learning milestones through the Juan Kapatid

**150**

Public Schools receiving much-needed learning resources through Juan Brigada Eskwela

# 2024 Plans and Targets

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STEM Excellence to be continuously promoted through partnerships with reputable institutions and recognition of exceptional students



Accreditation of the GBF Technical Training Center as a TESDA Assessment Center



Accreditation as a PRC Continuing Professional Development (CPD) provider for professional teachers



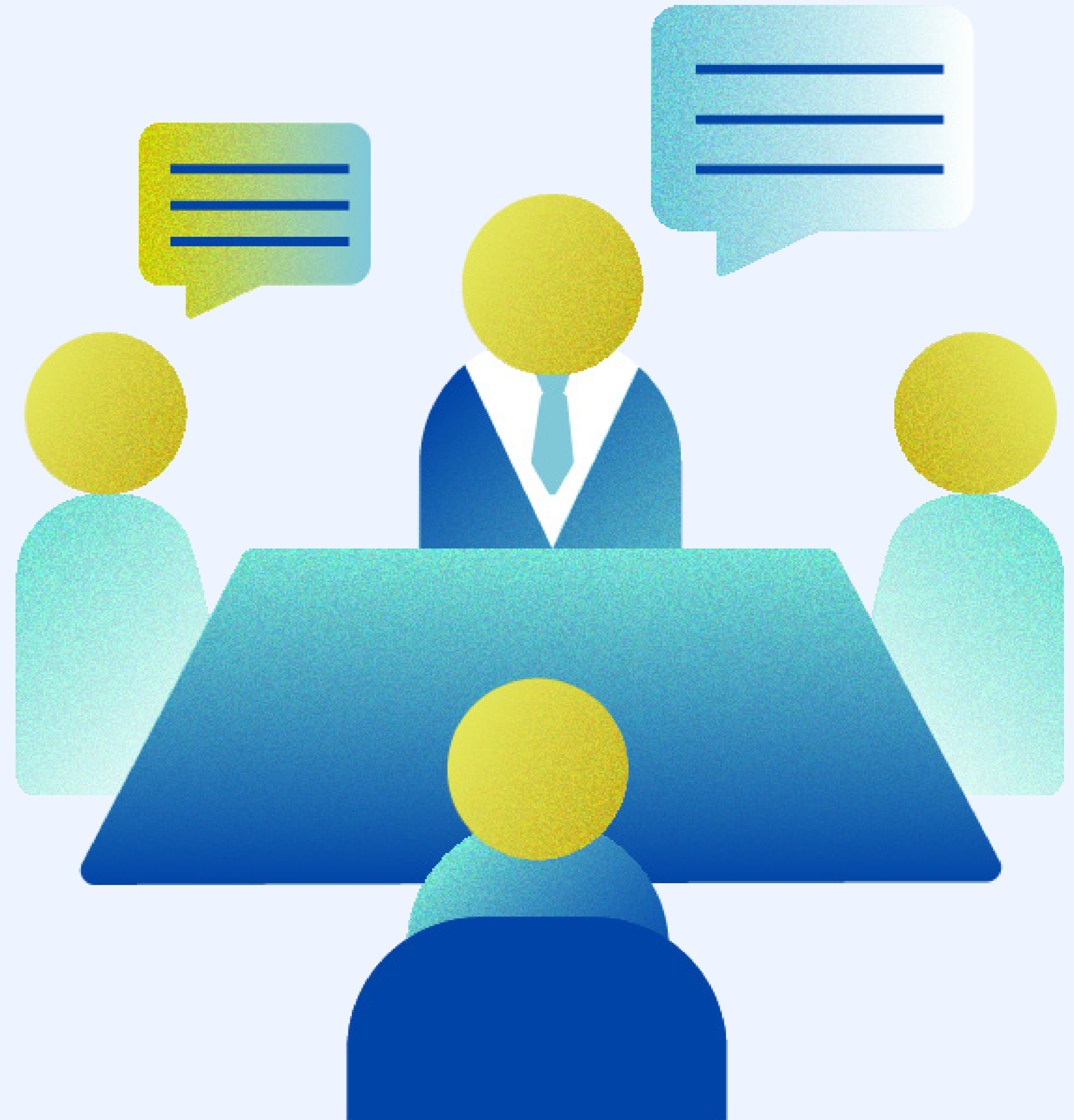
# Corporate Governance



CORPORATE GOVERNANCE

# Board Matters

Our Governance and  
Enterprise Risk Management



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



# Corporate Governance



JG Summit Holdings, Inc. (“JGS” or the “Company”) upholds its commitment to doing business in accordance with its long-held values of exercising the highest ethical standards and 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.

JGS 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: the Board of Directors’ (“Board”) governance responsibilities, disclosure and transparency, internal control and risk management frameworks, equitable treatment and cultivation of synergistic relationships with shareholders, and duties to stakeholders. Consequently, there is an ongoing and regular review of JGS’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, JGS 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. It adopts the long-term strategic planning framework “Objectives, Goals, Strategies, and Measures” (OGSM). 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 JGS’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, JGS is resolutely and relentlessly carrying out its business purpose and intention of offering better choices to its customers and creating shared success with all its stakeholders.

# Board of Directors

## Board of Responsibilities

The Board is primarily responsible for the governance of the Company. A competent and working Board heads JGS 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 Company's business and affairs. 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,

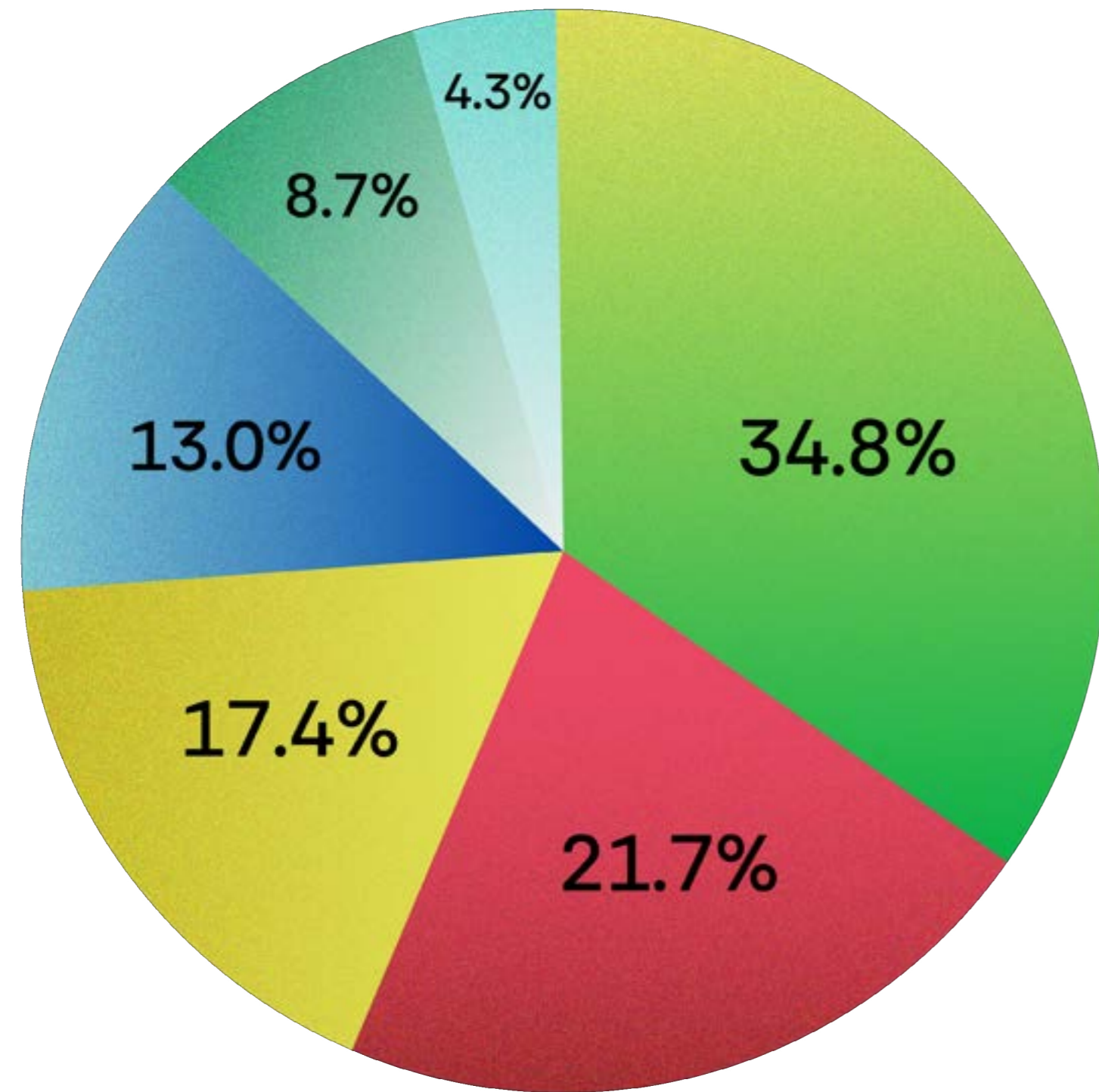
and regulations. Likewise, in accordance with the Company's Revised Corporate Governance Manual ("RCGM"), Board Charter, and policies, the Board performs its duties and responsibilities conscientiously and with honesty and integrity, thus faithfully upholding the standards and its commitment to JGS, 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](#).

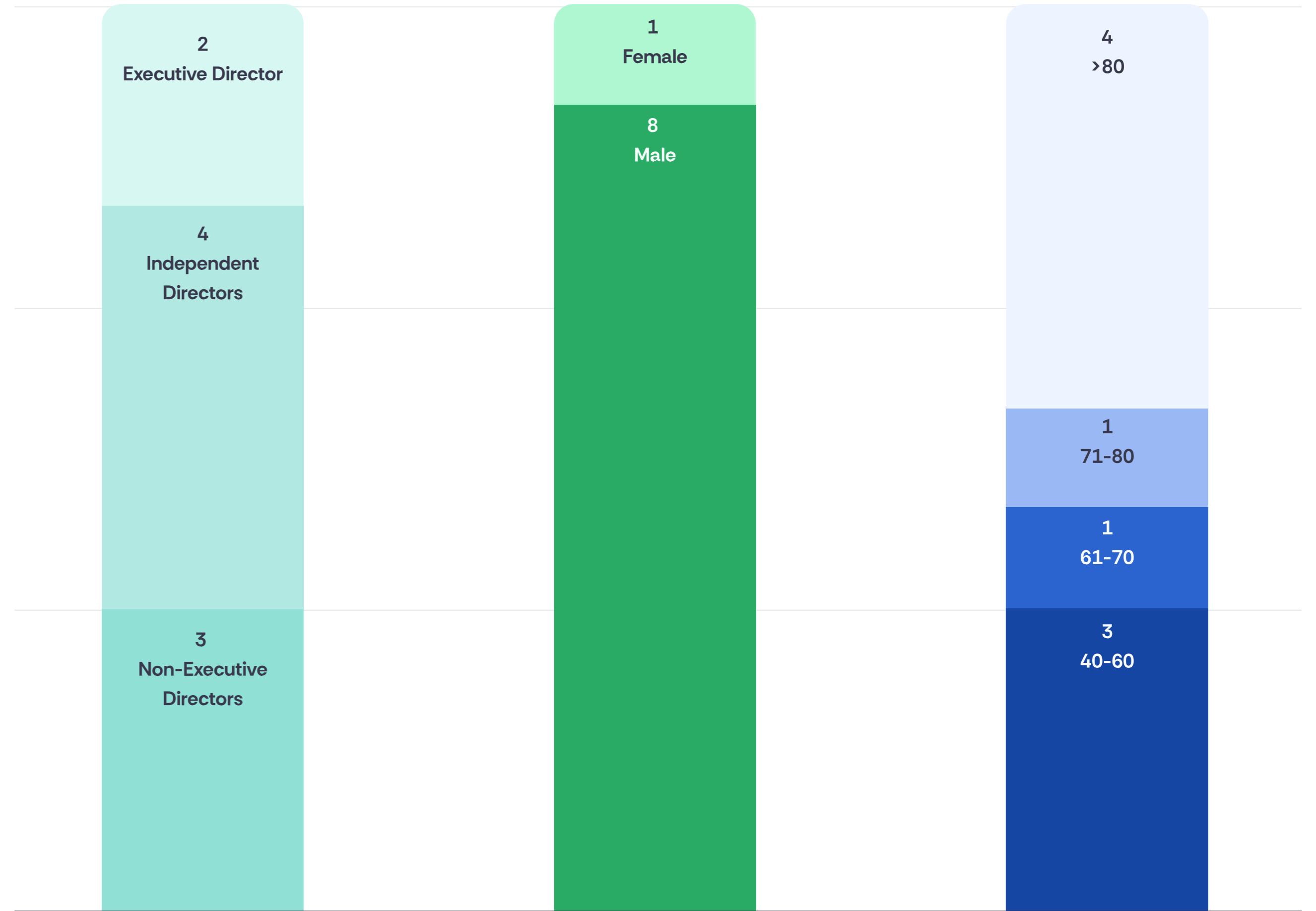


# Board Composition and Independence

## Balanced Board and Diversity



- Property, Education, Finance (Banking, Accounting, M&A) (8)
- Transportation, Food, Retail (5)
- Power (4)
- Telecom, Healthcare, Technology (3)
- Petrochemical, Media, Oil, Business Administration (2)
- Legal (1)



Role

Gender

Age

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 skill set that are all valuable to the Company.

In the implementation of its [Board Diversity Policy](#), JGS 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, 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.

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

In JGS, the position of the Chairman of the Board is separate from the President and CEO to strengthen the Board's independence further. 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.

## The Chairman

The Chairman presides at all meetings of the Board and shareholders. He also assists in ensuring compliance with and implementing 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](#).



## Independent Directors

The Board has Independent Directors, who occupy 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 that could, or could reasonably be perceived to materially interfere with their exercise of independent judgment in carrying out their responsibilities as Directors.

## 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 one person holds the position of the Chairman of the Board and CEO. 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 an intermediary between the Chairman and the other directors when necessary; ii.) To convene and chair meetings of the Non-Executive Directors; and iii.) To contribute to the performance evaluation of the Chairman, as required.

## The Board Committees

To enable 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 and ii.) Governance, Nomination, Remuneration, and Sustainability Committee (formerly Corporate Governance and Sustainability Committee).

## 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.

## 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 periodic review of 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 JGS’s strategy planning.



## 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:

AURROC	
Names	Positions
Antonio L. Go	Chairman
Jose T. Pardo	Member
Renato T. De Guzman	Member
Artemio V. Panganiban	Member
James L. Go	Advisory Member

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

GNRSC	
Names	Positions
Jose T. Pardo	Chairman
Renato T. De Guzman	Member
Antonio L. Go	Member
Artemio V. Panganiban	Member

## Board and Board Committee Meetings

The Board schedules its meetings in 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 seen in the [Certificate of Attendance of Meetings](#) uploaded in the website, the Independent Directors have complete attendance for 2023.

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

## Board of Directors Meeting (BOD)

7- Special meetings; 4 - Regular meetings; 1 - Organizational meeting

Board	Name	Date of Election	No. of Meetings Held during the Year	No. of Meetings Attended	%
Chairman	James L. Go	May 15, 2023	12	12	100%
Member	Lance Y. Gokongwei	May 15, 2023	12	12	100%
Member	Patrick Henry C. Go	May 15, 2023	12	12	100%
Member	Johnson Robert G. Go, Jr.	May 15, 2023	12	11	92%
Member	Robina Gokongwei Pe	May 15, 2023	12	12	100%
Independent	Jose T. Pardo	May 15, 2023	12	12	100%
Independent	Renato T. De Guzman	May 15, 2023	12	12	100%
Independent (Lead)	Antonio L. Go	May 15, 2023	12	12	100%
Independent	Artemio V. Panganiban	May 15, 2023	12	12	100%



## Audit, Related Party Transaction, Risk Oversight Committee Meeting (AURROC)

Board	Name	Date of Election	No. of Meetings Held during the Year	No. of Meetings Attended	%
Chairman	Antonio L. Go	May 15, 2023	4	4	100%
Member	Renato T. De Guzman	May 15, 2023	4	4	100%
Member	Jose T. Pardo	May 15, 2023	4	4	100%
Member	Artemio V. Panganiban	May 15, 2023	4	4	100%
Advisory Member	James L. Go	May 15, 2023	4	4	100%

## Governance Nomination Remuneration and Sustainability Committee (GNRSC)

Board	Name	Date of Election	No. of Meetings Held during the Year	No. of Meetings Attended	%
Chairman	Jose T. Pardo	May 15, 2023	4	4	100%
Member	Renato T. De Guzman	May 15, 2023	4	4	100%
Member	Antonio L. Go	May 15, 2023	4	4	100%
Member	Artemio V. Panganiban	May 15, 2023	4	4	100%

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.

### NEDs and IDs meeting with External Audit, heads of Internal Audit, Risk and Compliance

Non-Executive Directors (NEDs) / Independent Directors (IDs)	Date of Election	No. of Meetings Held during the Year	No. of Meetings Attended	%
Antonio L. Go (Lead)	May 15, 2023	1	1	100%
Jose T. Pardo	May 15, 2023	1	1	100%
Renato T. De Guzman	May 15, 2023	1	1	100%
Artemio V. Panganiban	May 15, 2023	1	1	100%



## NEDs and IDs meeting without Executives present

Non-Executive Directors (NEDs) / Independent Directors (IDs)	Date of Election	No. of Meetings Held during the Year	No. of Meetings Attended	%
Antonio L. Go (Lead)	May 15, 2023	1	1	100%
Jose T. Pardo	May 15, 2023	1	1	100%
Renato T. De Guzman	May 15, 2023	1	1	100%
Artemio V. Panganiban	May 15, 2023	1	1	100%

## NEDs and IDs members of AURROC with External Audit

Non-Executive Directors (NEDs) / Independent Directors (IDs)	Date of Election	No. of Meetings Held during the Year	No. of Meetings Attended	%
Antonio L. Go (Lead)	May 15, 2023	1	1	100%
Jose T. Pardo	May 15, 2023	1	1	100%
Renato T. De Guzman	May 15, 2023	1	1	100%
Artemio V. Panganiban	May 15, 2023	1	1	100%

# Board Progress and Development

## Board Assessment

An annual self-assessment to evaluate performance is 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 based on leading practices and principles on good governance:

<b>A. For the Board</b> <ul style="list-style-type: none"><li>• Board Composition</li><li>• Board Efficiency and Performance</li><li>• Board Meetings and Participation</li></ul>	<b>C. For Individual Directors</b> <ul style="list-style-type: none"><li>• Independence</li><li>• Participation</li><li>• Expertise</li><li>• Character</li><li>• Fiduciary Duty</li><li>• Innovation</li></ul>
<b>B. For the Board Committees</b> <ul style="list-style-type: none"><li>• Board Committee Performance</li><li>• Board Committee Structure</li></ul>	



On the other hand, the **Chairman's**, and the **President and CEO's** self-assessment questionnaires contain the following criteria:

#### **For the Chairman and the President and CEO**

- Leadership
- Integrity
- Diligence
- Corporate Governance
- Entrepreneurial Mindset
- 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, JGS 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, JGS 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 at <https://www.jgsummit.com.ph/docs/2022%20JGS%20Board%20Evaluation%20Form.pdf>

## 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 an overview of the Company's operations, Corporate Governance framework, and other relevant topics essential to 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 on 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 JGS entitled "ESG Session on the JGS 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 JGS directors and officers entitled “Unbox Extra: The Innovation Festival” was held on June 14, 2023 with the following topics and speakers:

Unbox Extra: The Innovation Festival	
Topics	Speaker
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.



## 2023 Board Remuneration

Based on the [Succession Planning and Remuneration Policy](#) of JGS, 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 Chairman and the directors who attended all board meetings received a total per diem of Php 240,000 each, while directors and advisors in committee meetings each received Php 240,000 and Php 120,000, respectively.



# Management

## Officers

### President & CEO

**Lance Y. Gokongwei**, 57, is the President and Chief Executive Officer (CEO) of JGS 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.

## Corporate Secretary

**Atty. Maria Celia H. Fernandez-Estavillo**, 52, is the Chief Legal Officer and Corporate Secretary of JGS 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.

## Chief Finance and Risk Officer

**Brian M. Go**, 50, was appointed as the Chief Finance and Risk Officer (“CFRO”) of JGS 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.



## Chief Human Resources Officer

**David Gulliver G. Go**, 52, is the Chief Human Resources Officer (“CHRO”) of JGS, 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.

## Chief Strategy Officer

**Michael P. Liwanag**, 50, was appointed as the Chief Strategy Officer (“CSO”) of JGS 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.

## Investor Relations Officer

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

## Chief Audit Executive

**Rya Aissa S. Agustin**, 43, is the Chief Audit Executive (“CAE”) of JGS, 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.

## Chief Corporate Affairs and Sustainability Officer

**Renato T. Salud**, 60, is the Chief Corporate Affairs and Sustainability Officer (“CCSO”) of JGS 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.

## Sustainability and Corporate Social Responsibility Head

**Yvonne Purisima Garcia Flores**, 55, is the Sustainability and Corporate Social Responsibility Head of JGS 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.

## Chief Compliance Officer

**Atty. Laurinda R. Rogero**, 47, was appointed Chief Compliance Officer on March 30, 2022. She monitors, reviews, evaluates and ensures 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 their resolution. 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.



## Executive Compensation

The aggregate compensation given to officers and directors of the Company for the year 2023 is reported in the [JGS Annual Report \(17A\) December 2023 \(Part 1\)](#), Part III, Item 10, page 91.



# Transparent Ownership Structure

## Security Ownership of Management as of December 31, 2023

The detailed table of Security Ownership of Management over any shares of the Company as of 31 December 2023 reported in the [JGS Annual Report \(17A\) December 2023 \(Part 1\), Part III, Item 11 \(2\), page 93](#) is as follows:

Title of Class	Names of Beneficial Owner	Position	Amount and nature of beneficial ownership	Citizenship	% to total outstanding
	<i>Named Executive Officers<sup>1</sup></i>				
Common	1. Lance Y. Gokongwei	Director, President and Chief Executive Officer	570,962,279(D)	Filipino	7.59%
Common	2. Maria Celia H. Fernandez-Estavillo	Chief Legal Officer and Corporate Secretary	5,250(D)	Filipino	*
	Sub-Total		<b>570,967,529(D)</b>		

### Notes

1. As defined under Part IV (B) (1) (b) of Annex "C" of SRC Rule 12, "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2023.

\* less than 0.01%

(D) - Direct Shareholdings

Title of Class	Names of Beneficial Owner	Position	Amount and nature of beneficial ownership	Citizenship	% to total outstanding
	<i>Other Directors and Executive Officers</i>				
Common	3. James L. Go	Chairman	156,288,580(D)	Filipino	2.08%
Common	4. Patrick Henry C. Go	Director	133,164(D)	Filipino	*
Common	5. Robina Y. Gokongwei-Pei	Director	190,464,774(D)	Filipino	2.53%
Common	6. Johnson Robert G. Go, Jr.	Director	43,737(D)	Filipino	*
Common	7. Jose T. Pardo	Director (Independent)	1(D)	Filipino	*
Common	8. Renato T. De Guzman	Director (Independent)	22,838(D)	Filipino	*
Common	9. Antonio L. Go	Director (Independent)	1(D)	Filipino	*
Common	10. Artemio V. Panganiban	Director	10(D)	Filipino	*
Common	11. Michael P. Liwanag	Chief Strategy Officer	105,000(D)	Filipino	*
Common	12. Lisa Y. Gokongwei-Cheng	Chief Digital Officer	146,018,275(D)	Filipino	1.94%
Common	13. Brian M. Go	Chief Finance and Risk Officer	2,237,577(D)	Singaporean	0.03%
Common	14. David Gulliver G. Go	Chief Human Resources Officer	43,735(D)	Filipino	*
	Sub-Total		495,357,692(D)		
	<i>All directors and executive officers as a group unnamed</i>		<b>1,006,325,221(D)</b>		<b>14.18%</b>

#### Notes

1. As defined under Part IV (B) (1) (b) of Annex "C" of SRC Rule 12, "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2023.

\* less than 0.01%

(D) - Direct Shareholdings



The other Executive Officer of the company have no beneficial ownership over any shares of the Company as of December 31, 2023, namely:

1. Renato T. Salud	-	Chief Corporate Affairs and Sustainability Officer
2. Aldrich T. Javellana	-	Senior Vice President and Treasurer
3. Michele F. Abellanosa	-	Vice President, Corporate Controllershship
4. Rya Aissa S. Agustin	-	Chief Audit Executive
5. Laurinda R. Rogero	-	Chief Compliance Officer
6. Ma. Cristina Bellaflor P. Alvarez	-	Chief Information Officer
7. Bach Johann M. Sebastian	-	Senior Advisor
8. Alan D. Surposa	-	Senior Advisor
9. Ian Pajantoy	-	Data Protection Officer
10. Andre Ria B. Buzeta-Acero	-	Assistant Corporate Secretary

## Security Ownership of Certain Record and Beneficial Owners as of December 31, 2023

As reported in the [JGS Annual Report \(17A\) December 2023 \(Part 1\)](#), Part III, Item 11 (2), page 92, as of December 31, 2023, the Company is not aware of anyone who beneficially owns in excess of 5% of the Company's common stock except as set forth in the table below:

Title of Class	Name and addresses of record owners and relationship with the Corporation	Names of beneficial owner and relationship with record owner	Citizenship	No. of Shares Held	% to total outstanding
Common	Gokongwei Brothers Foundation, Inc. 43/F Robinsons-Equitable Tower ADB Ave cor. Poveda St. Ortigas Center, Pasig City (stockholder)	Same as record owner (See note 1)	Filipino	2,096,930,273	27.88
Common	PCD Nominee Corporation (Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (See note 2)	Filipino	2,023,186,567 (See note 3)	26.90
Common	PCD Nominee Corporation (Non-Filipino) 37/F Tower I, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PCD Participants and their clients (See note 2)	Non-Filipino	859,799,286 (See note 3)	11.43
Common	RSB-TIG No. 030-46-000001-9 17/F Galleria Corporate Center, EDSA cor. Ortigas Avenue, Quezon City (stockholder)	Trustee's designated officers (See note 4)	Filipino	1,084,985,186	14.43

## Notes

1. Gokongwei Brothers Foundation, Inc. (the “Foundation”) is a non-stock, non-profit corporation organized by the irrevocable donation by the incorporators, who are also Trustees of the Foundation, of shares of JG Summit Holdings, Inc. Under the Articles of Incorporation and By-Laws of the Foundation, except for salaries of employees and honoraria of consultants and similar expenses for actual services rendered to the Foundation or its projects, no part of the corpus or its income and increments shall benefit or be used for the private gain of any member, trustee, officer or any juridical or natural person whatsoever. The Chairman of the Board of Trustees shall exercise exclusive power and authority to represent and vote for any shares of stock owned by the Foundation in other corporate entities. The incumbent Chairman of the Board of Trustees of the Foundation is Mr. Lance Y. Gokongwei.

2. PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation’s transfer agent. PCD Nominee Corporation is a corporation wholly-owned by Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) (“PDTC”), whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current system of the PDTC, only participants (brokers and custodians) are recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares through his participant is the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

3. Out of the PCD Nominee Corporation account, “Citibank N.A.” and “Philippine Equity Partners, Inc.” hold for various trust accounts the following shares of the Corporation as of December 31, 2023:

	<u>No. of Shares</u>	<u>% of Outstanding</u>
Citibank N.A.	895,182,892	11.90%
Standard Chartered Bank	444,804,034	5.91%

Voting Instructions may be provided by the beneficial owners of the shares

4. Robinsons Bank – Trust & Investment Group (RSB-TIG) is the trustee of this trust account. The shares are voted by the trustee’s designated officers.



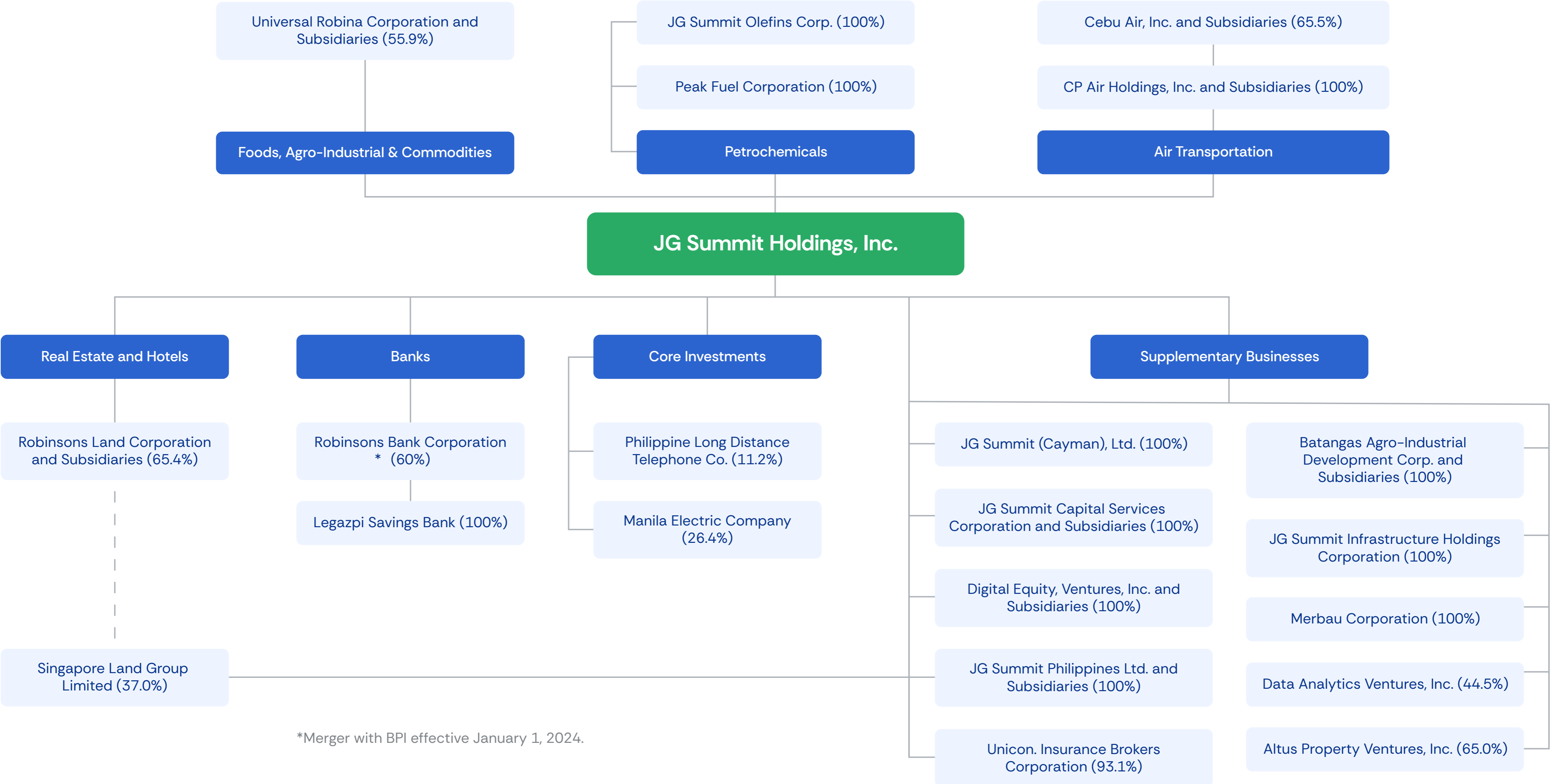
## Group Corporate Structure

JGS is currently one of the largest and most diversified Filipino conglomerates engaged primarily in businesses that serve a growing middle class with rising disposable incomes in the **Philippines and Southeast Asia**.

JGS's place in Philippine business has for its cornerstone a business portfolio of market leaders, management team, and a vision of leading the country to global competitiveness and making life better for every Filipino.



The Group Corporate Structure is reported in the [JGS Annual Report \(17A\) December 2023 \(Part 1\), Part I, Item 1 \(B\), page 6:](#)



\*Merger with BPI effective January 1, 2024.

# Trading of Securities

JGS has in place an Insider Trading Policy which governs the trading of Company shares by directors, key officers, and individuals with access to material non-public information.

The Directors and Officers of the Company are required to report any changes in ownership of Company shares to the Office of the Corporate Secretary within three (3) business days from said occurrence. The Office of the Corporate Secretary shall file the required disclosure to comply with reporting requirements of the PSE and the SEC within the prescribed period.



## First and Last Quarter for 2023

Directors:	Shareholdings as of March 31, 2023				Shareholdings as of December 31, 2023			
	Direct	Indirect	Total Direct and Indirect Shares	% to Total Outstanding	Direct	Indirect	Total Direct and Indirect Shares	% to Total Outstanding
James L. Go	156,288,580	0	156,288,580	2.08	156,288,580	0	156,288,580	2.08
Lance Y. Gokongwei	570,962,279	0	570,962,279	7.59	570,962,279	0	570,962,279	7.59
Patrick Henry C. Go	133,164	0	133,164	*	133,164	0	133,164	*
Robina Y. Gokongwei-Pe	190,464,774	0	190,464,774	2.53	190,464,774	0	190,464,774	2.53
Johnson Robert G. Go, Jr.	43,737	0	43,737	*	43,737	0	43,737	*
Artemio V. Panganiban	10	0	10	*	10	0	10	*
Jose T. Pardo	1	0	1	*	1	0	1	*
Renato T. De Guzman	22,838	0	22,838	*	22,838	0	22,838	*
Antonio L. Go	1	0	1	*	1	0	1	*

### Note

\* less than 0.01%

## First and Last Quarter for 2023

Officers:	Shareholdings as of March 31, 2023				Shareholdings as of December 31, 2023			
	Direct	Indirect	Total Direct and Indirect Shares	% to Total Outstanding	Direct	Indirect	Total Direct and Indirect Shares	% to Total Outstanding
Lisa Y. Gokongwei-Cheng	146,018,275	0	146,018,275	1.94	146,018,275	0	146,018,275	1.94
Michael P. Liwanag	52,500	0	52,500	*	105,000	0	105,000	*
Maria Celia H. Fernandez-Estavillo	5,250	0	5,250	*	5,250	0	5,250	*
David Gulliver G. Go	43,735	0	43,735	*	43,735	0	43,735	*
Brian M. Go	2,237,577	0	2,237,577	0.03	2,237,577	0	2,237,577	0.03

**Note**

\* less than 0.01%

The other Executive Officers of the Company have no beneficial ownership over any shares of the Company as of December 31, 2023, namely:

1. Renato T. Salud	-	Chief Corporate Affairs and Sustainability Officer
2. Aldrich T. Javellana	-	Senior Vice President and Treasurer
3. Michele F. Abellanos	-	Vice President, Corporate Controllershship
4. Rya Aissa S. Agustin	-	Chief Audit Executive
5. Laurinda R. Rogero	-	Chief Compliance Officer
6. Ma. Cristina Bellaflor P. Alvarez	-	Chief Information Officer
7. Bach Johann M. Sebastian	-	Senior Advisor
8. Alan D. Surposa	-	Senior Advisor
9. Ian Pajantoy	-	Data Protection Officer
10. Andre Ria B. Buzeta-Acero	-	Assistant Corporate Secretary

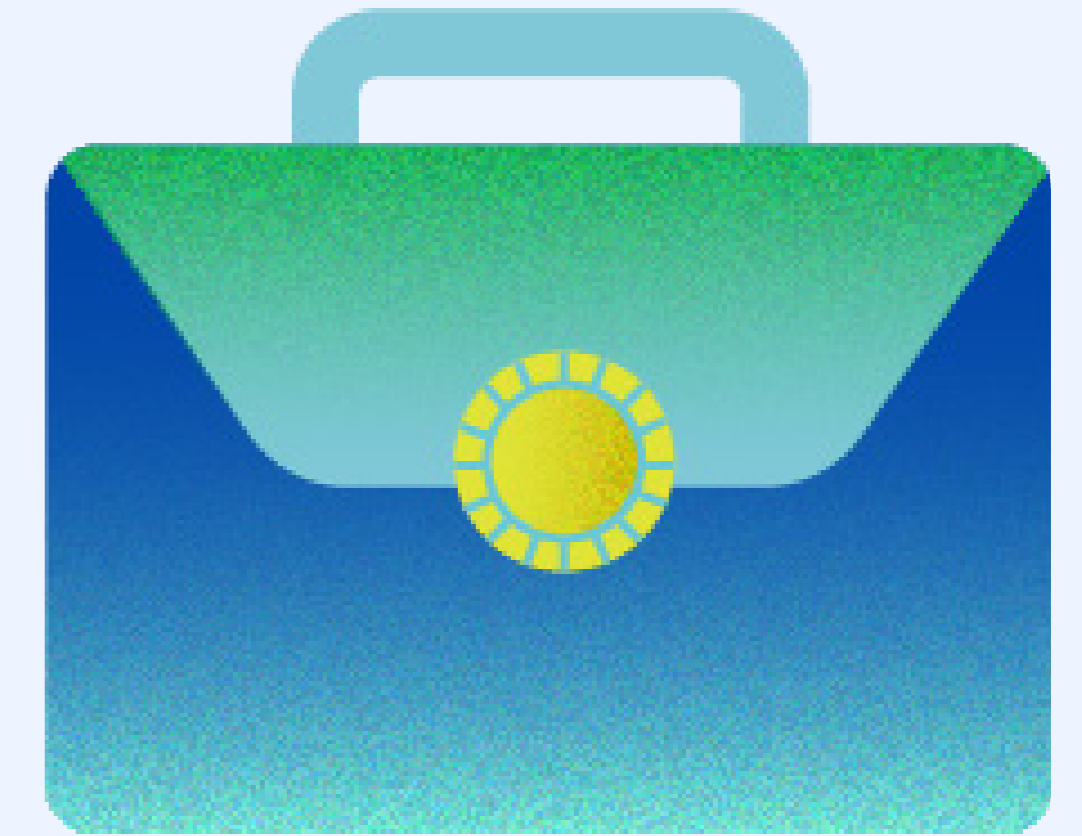
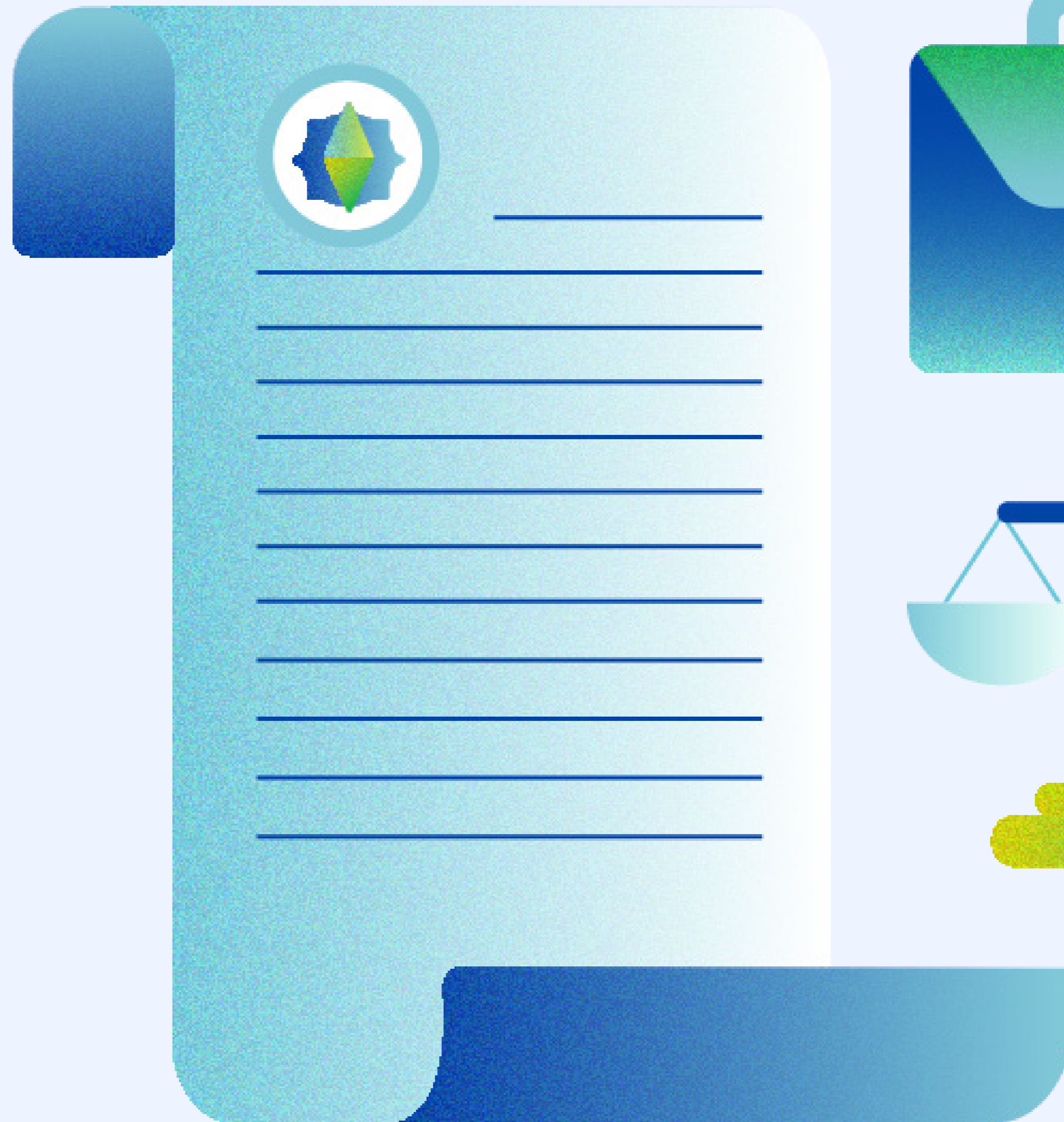
The shareholdings as of December 31, 2023 indicated above is available at: [Public Ownership Report as of December 31, 2023](#).

The shareholdings as of March 31, 2023 indicated above is available at: [Public Ownership Report as of March 31, 2023](#).



CORPORATE GOVERNANCE

# Policies



# Revised Corporate Governance Manual 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 are posted on its website under the Governance section and can be accessed through this link: <https://www.jgsummit.com.ph/corporate-governance/company-policies/revised-corporate-governance-manual>

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.

## Code of Business Conduct and Ethics (“Code”)

The fundamental principle of this Code is the expectation that all JGS 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.

View the Code at: <https://www.jgsummit.com.ph/corporate-governance/company-policies/code-of-business-conduct-ethics>

## Anti-Bribery and Anti-Corruption Policy

JGS 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 that 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 JGS and their agents and representatives.

View the policy at: <https://www.jgsummit.com.ph/corporate-governance/company-policies/anti-bribery-and-anti-corruption-policy>



## 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.

View the policy at: <https://www.jgsummit.com.ph/corporate-governance/company-policies/conflict-of-interest-policy>

## 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 is 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.

View the policy at: <https://www.jgsummit.com.ph/corporate-governance/company-policies/related-party-transactions-policy>

## Whistleblowing Policy

This policy establishes a suitable framework for whistleblowing. It 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.

View the policy at: <https://www.jgsummit.com.ph/corporate-governance/company-policies/whistle-blowing-policy>

## 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 for promoting compliance with 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.

View the policy at: <https://www.jgsummit.com.ph/corporate-governance/company-policies/insider-trading-policy>

## 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 attract qualified and competent employees and retain them. This Policy aims to ensure individuals' systematic and long-term development at the senior management level as ready replacements 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.

View the policy at: <https://www.jgsummit.com.ph/corporate-governance/company-policies/succession-planning-and-remuneration-policy>





# Compliance Monitoring and Implementation

## Training

### In-house Corporate Governance Training

To keep abreast with industry developments, business trends, and best practices, JGS annually organizes in-house corporate governance trainings for its directors and officers discussed in “[Board Training and Orientation](#).”

### Business Conduct and Anti-Corruption Programs and Procedures

The ethical and behavioral standards 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, JGS 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 the 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:**

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

JGS 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. JGS representatives are members of the Good Governance Advocates and Practitioners of the Philippines, and the International Bar Association and attend 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, and compliance. This process encompasses assessing the risk of corruption and bribery within the organization and external parties.

## 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 JGS submitted their self-disclosure forms in 2023. There were 21 employees who disclosed a conflict of interest. Out of these 21 employees, 3 were investigated and cleared to be without actual conflict.

## Whistleblowing

### 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 JGS'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](#)

The above-mentioned whistleblowing portals are likewise on the “**Contact Us**” page of the Company website:

<https://www.jgsummit.com.ph/contact-us>

In 2023, no whistleblowing cases were received through its iSpeak and email channels that were directly intended for JGS. However, the reports evaluated to be valid were forwarded to the appropriate Strategic Business Units (“SBUs”), and their actions were monitored and reported to the GNRSC and the Board.

## 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.

## 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.

# Compliance Report

## 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. series of 0 for all PLCs to disclose the Company’s compliance or noncompliance 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](#).

# Compliance Manual

The Company has a compliance program or manual, approved on March 29, 2023, and covers compliance with relevant laws, regulations, and policies that is annually reviewed.

### The manual has the following contents:

- Compliance System
- Compliance Structure
- Compliance Program
- Compliance Review
- Compliance Training and Awareness initiatives



# Stakeholder Engagement

The Stakeholder Engagement is thoroughly discussed under [“Stakeholder Engagement.”](#)

## Shareholders

### Annual Stockholders’ Meeting

JGS is transparent and fair in conducting 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 could not 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 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>

## Dividends

The Company's policy is to deliver a steady flow of dividends to its shareholders. In the past five years, JGS has successfully paid out at least Php0.30 per share annually despite the significant adverse impact of the pandemic on 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 (P0.40) per common share from JGS's unrestricted retained earnings as of December 31, 2022, to all stockholders of record as of May 23, 2023.

## Shareholders' Rights

The Company is committed to ensuring fair and equitable treatment of all shareholders, whether 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 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](mailto:IR@jgsummit.com.ph)

**Address:** 40F Robinsons Equitable Tower, Ortigas Center,  
Pasig 1605

## Duty to Other Stakeholders

The Company recognizes and values the interdependence between business and society. It promotes 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 consider Economic, Environmental, Social, and Governance issues and concerns.

### Customers' Welfare

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

## Supplier/Contractor Selection

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

## Employees

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

## 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.

## 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 our employees' physical and mental health, 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***

Access to efficient employee services on an online platform was made possible through the Company's internal Employee Service Portal. 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 recognize 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 accessible to both onsite and online participants, resulting in better choices for the Company's people.



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

The Company achieved a milestone by 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](#)

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

As part of the OSH initiatives pursuant to the Company’s 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 JGS’s PVA in their endeavors were recognized and celebrated. The 13th 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 are discussed in more detail in: [The PIP Awards](#)

## Performance-enhancing mechanisms for employee participation

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

The Company firmly believes that good governance is the cornerstone of sustainable success. As JGS 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. JGS 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 toward 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. JGS engages in regular performance assessments, allowing the Company to review progress toward 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 fundamental to the Company's good governance, and open communication throughout rewards programs is prioritized. Employees are given 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 JGS, 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 Company's long-term goals. Through these efforts, JGS demonstrates its dedication to fostering a culture of accountability, transparency, and ethical behavior, which underpins our pursuit of excellence in corporate governance.



## EMPLOYEES

### Employee Trainings

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

#### *Leaders' Conferences*

Strengthens enablement of skills for CHRO, CRO and OCFRO functions held in March, June and July, 2023, respectively

#### *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)

#### *Individual Development Plan*

With a KPI of 75%, CCU adoption exceeded this target at 81% compliance and 210 employees who submitted their IDPs.

#### *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.

#### *LinkedIn Learning*

Ensure continuity and reinforcement of leadership learning via the online platform that can also help support self-directed learning.

## 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.

## Communities

The Company conducts various projects for its communities discussed in: [Our Signature Initiatives](#) and [Shared Success](#)



CORPORATE GOVERNANCE

# Enterprise Risk Management and Internal Controls





JGS 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.







## Board of Directors

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 JGS 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.



## Audit RPT & Risk Oversight Committee

AURROC

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.



## Chief Risk Officer

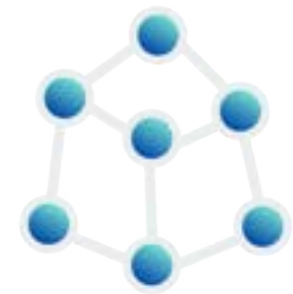
The **Chief Risk Officer** (CRO) leads the Enterprise Risk Management process that will ensure a sound ERM framework is in place to effectively identify, monitor, assess and manage key business risks. The CRO spearheads the development, implementation, maintenance and continuous improvement of ERM processes 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 JGS. Under the risk and controls function, the CFRO is the steward of risk management, specifically those that have financial impact and affect company value.



## Risk Council

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

**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.



## Risk Owners

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.



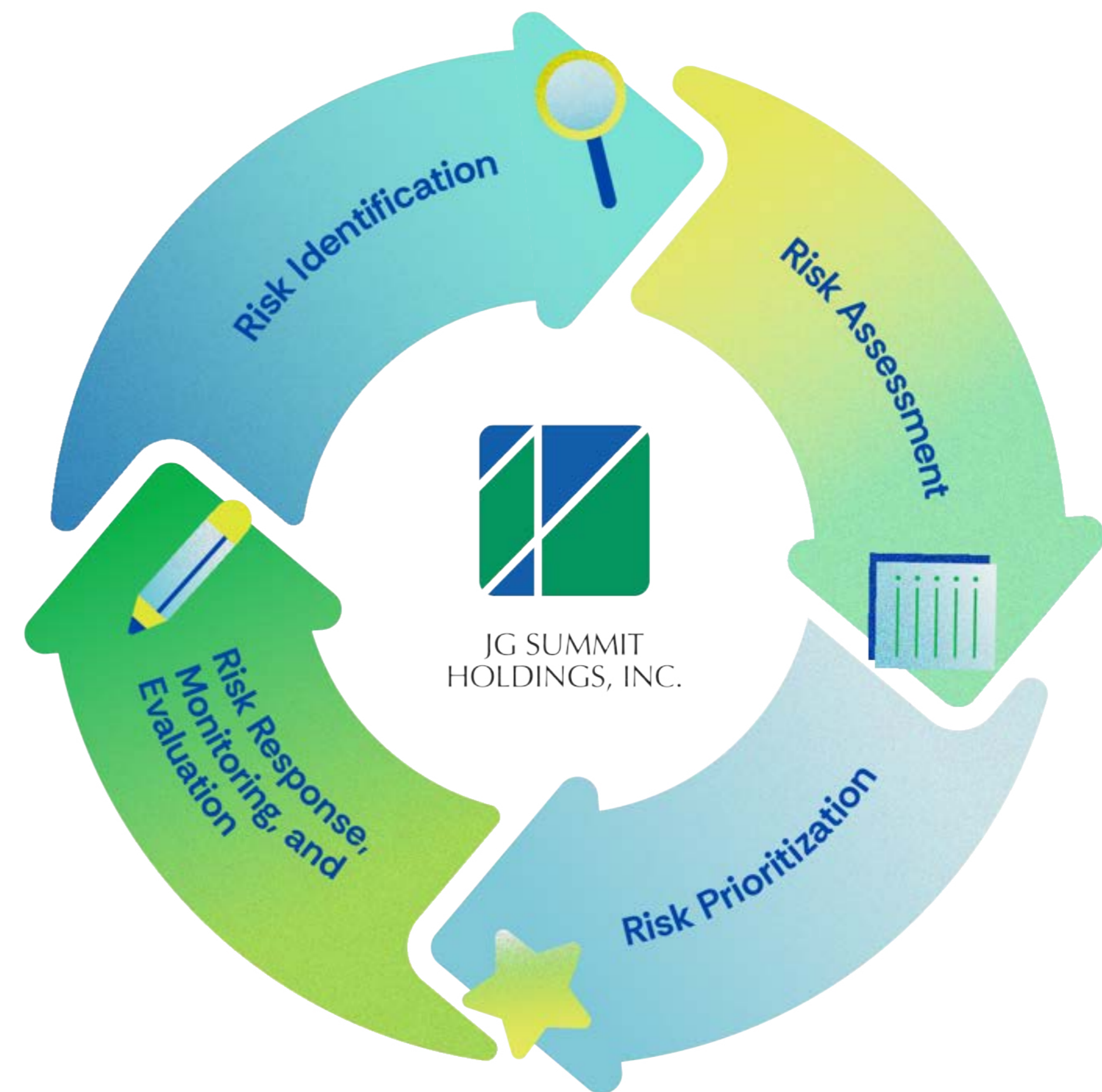
## Internal Audit

**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 implementing and adhering 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.



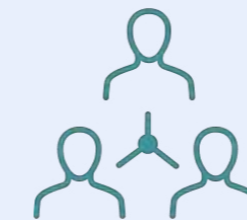
## Operational Risk

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.

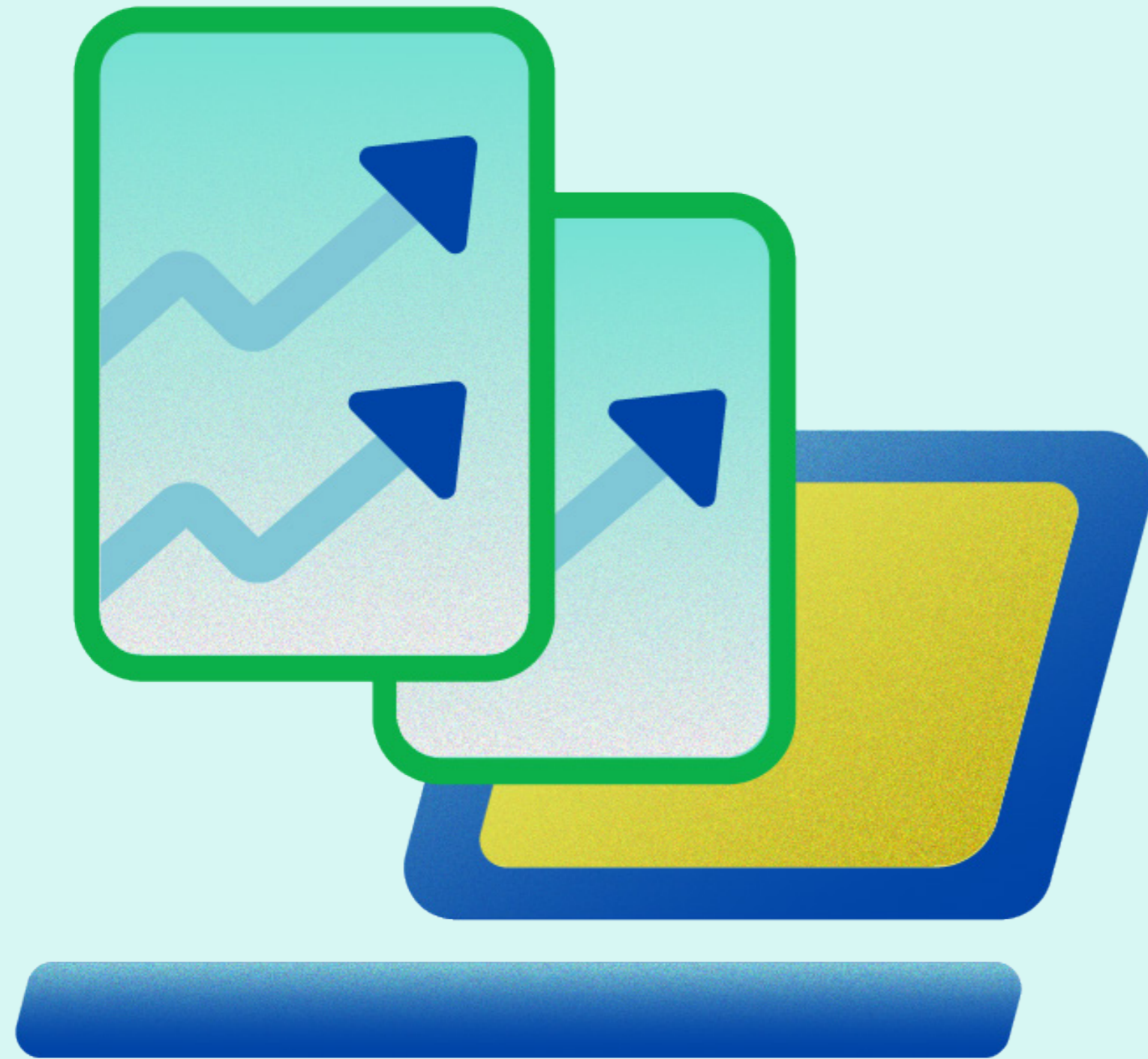
For each risk impact area, we developed a risk assessment scale that defines what is considered insignificant, minor, moderate, major, or extreme impact to our business. Likewise, we set the likelihood parameters defining whether the chance of occurrence is rare, unlikely, probable, likely, or almost 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 impacts 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 JGS 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 to improve risk response and identify 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. The risk management framework is being presented to the AURROC for review on a regular basis, and the key risks are being updated and reported semi-annually.

# 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	Cybersecurity	IT and Digitalization	Moderate	Moderate	Extreme	Major	Major	Major	Very High
2	Tax law interpretation	Legal and Compliance	Major	Minor to Insignificant	Moderate	Extreme	Major	Major	Very High
3	Interest rate and forex risk	Financial	Major	Minor to Insignificant	Major	Extreme	Minor to Insignificant	Moderate	High
4	Climate-related physical and transitional risks	Climate	Moderate	Moderate	Major	Major	Moderate	Moderate	High
5	Regulatory changes	Legal and Compliance	Moderate	Moderate	Extreme	Major	Major	Extreme	High
6	Talent development and retention	People	Minor to Insignificant	Extreme	Major	Moderate	Minor to Insignificant	Minor to Insignificant	High
7	Product safety, quality, and process management	Operational	Minor to Insignificant	Moderate	Extreme	Major	Major	Major	High
8	Material cost and availability	Operational	Moderate	Minor to Insignificant	Extreme	Extreme	Moderate	Moderate	High
9	Capital allocation	Strategic	Extreme	Minor to Insignificant	Major	Extreme	Moderate	Minor to Insignificant	High
10	Geopolitical tensions	Emerging	Extreme	Moderate	Extreme	Extreme	Minor to Insignificant	Minor to Insignificant	High

IMPACT RATING: ● EXTREME ● MAJOR ● MODERATE ● MINOR TO INSIGNIFICANT



## Cybersecurity

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.

## Tax law interpretation

Considering that the Group operates in various industries across different jurisdictions, it is critical for the Company to establish controls to minimize non-compliance risks and abide by the **tax laws** and **evolving 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

## Interest rate and forex risk

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 physical and transitional risks

**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 the **Sustainability Report**.

## Talent development and retention

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

### 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.

## Capital allocation

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.

## Geopolitical tensions

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.



## Reputational Risk

Our **Reputational risk** pertains to how third-party views and ratings affect our corporate image and brands. Misinformation about JGS 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. JGS 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 JGS 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.

JGS 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.



## Governance Risk

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:

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



# Accountability & 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, including its submissions and disclosures to the SEC and PSE, are also made available on the company website.

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, 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 practice, and tools.

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



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, attests 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

## External Auditor and their fees

Name of Author	Audit and Audit-Related Fees	Year 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
	All Other Fees	None
	TOTAL	Php 4,780,000

No other services was provided by external auditors to the Company for the calendar year 2023

## 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/>.

# Corporate Directory

## Common Stock


Listed on the Philippine Stock Exchange, Inc.


6/F PSE Tower, 5th Avenue corner 28th Street,  
Bonifacio Global City, Taguig City

## Corporate Head Office

JG Summit Holdings, Inc.

43/F Robinson Equitable Tower  
ADB Avenue corner Poveda Street,  
Ortigas Center, Pasig City  
Metro Manila, Philippines

 **Tel No.**  
(632) 8633-7631 to 40

 **Fax No.**  
(632) 8395-2608

 [www.jgsummit.com.ph](http://www.jgsummit.com.ph)

## Stock Transfer and Dividend Paying Agent

BDO Unibank, Inc.

**Trust and Investment Group**

15/F South Tower, BDO Corporate Center,  
7899 Makati Avenue, Makati City

## Independent Public Accountants

SyCip Gorres Velayo & Co.

**Certified Public Accountants**

SGV Building, 6760 Ayala Avenue  
Makati City, Philippines



# Business Unit Directory

## Universal Robina Corporation

8th Floor Tera Tower, Bridgetowne  
E. Rodriguez, Jr. Avenue (C5 Road), Ugong Norte,  
Quezon City, Metro Manila, Philippines

☎ (632) 8516-9888

🌐 [www.urc.com.ph](http://www.urc.com.ph)

## JG Summit Olefins Corporation

9F-11F Robinsons Cyberscape Gamma Bldg.  
Topaz and Ruby Roads, Ortigas Center,  
Brgy. San Antonio, Pasig City,  
Philippines

☎ (632) 8230-5000

(632) 8397-3200

🌐 [www.jgspetrochem.com](http://www.jgspetrochem.com)

## Cebu Air, Inc.

Cebu Pacific Building  
Domestic Airport Road,  
Pasay City 1301 Philippines

☎ (632) 8802-7000

🌐 [cebupacificair.com](http://cebupacificair.com)

## Luzon International Premiere Airport Development Corp.

Civil Aviation Complex  
Andres Bonifacio Avenue,  
Clark Freeport Zone, Pampanga

☎ (045) 598-3120

🌐 [www.clarkinternationalairport.com](http://www.clarkinternationalairport.com)

## Robinsons Land Corporation

Level 2, Galleria Corporate Center  
EDSA corner Ortigas Avenue, Quezon City

☎ (632) 8397-1888

🌐 [www.robinsonsland.com](http://www.robinsonsland.com)

## Data Analytics Ventures, Inc.

30/F Cyberscape Gamma  
Ruby and Topaz Roads, Ortigas,  
Pasig City, Metro Manila,  
Philippines

☎ (632) 8991-4700

🌐 [www.davi.com.ph](http://www.davi.com.ph)

## JG Digital Equity Ventures

37/F Cyberscape Gamma

Topaz and Ruby Roads, Ortigas  
Center, Pasig City, Metro Manila,  
Philippines

 (632) 8246-7163

 [contact@jgdev.ph](mailto:contact@jgdev.ph)

 [www.jgdev.ph](http://www.jgdev.ph)

## DHL Summit Solutions, Inc.

21F Giga Tower

Eulogio Rodriguez Jr. Avenue, Quezon City,  
Metro Manila

## GoTyme

37/F Cyberscape Gamma

Topaz and Ruby Roads, Ortigas Center,  
Pasig City, Metro Manila, Philippines

 #GO8888

 [www.gotyme.com.ph](http://www.gotyme.com.ph)