

Roxas and Company, Inc.

Company Details	
Name of Organization	Roxas and Company, Inc. (RCI)
Location of Headquarters	7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, Makati City
Location of Operations	Makati City, Quezon City, Manila City, Nasugbu, Batangas; Tagaytay; and Tupi, South Cotabato
Report Boundary: Legal entities (e.g. subsidiaries, affiliates, associates) included in this report*	<p>Covered in this Sustainability Report is Roxas and Company, Inc. (RCI, hereinafter referred to as the “Group”) and its subsidiaries and affiliates:</p> <p>Roxaco Land Corporation (RLC) Roxaco-Asia Hospitality Corporation (RAHC) Roxas Sigma Agriventures, Inc. (RSAI) Roxas Green Energy Corporation (RGEC)</p>
Business Model, including Primary Activities, Brands, Products, and Services`	<p>RLC is the property development arm of RCI which acquires real estate for investment, development, and/or sale. The Corporation is the registered owner of hectares of land in Nasugbu, Batangas. Subsumed in the Real Estate Corporation are Anya Hospitality Group (Hospitality Solutions), Anya Resort Tagaytay (Leisure & Lodging), and Roxaco-Asia Hospitality Corporation (Hotel & Development Management, 49% share).</p> <p>RSAI is a wholesale producer and exporter of high-quality coconut-based products. Their portfolio is 100% natural processed coconuts, comprised of Aseptic Coconut Cream and Milk, wetVirgin Coconut Oil, and Coconut Water Concentrate. RSAI promotes organic agriculture, maintaining certified coconut farms for their product orders.</p> <p>RGEC is the energy arm of the Corporation in Nasugbu, Batangas. Disclosures under the Environmental and Social sections are not inclusive of RGEC data as the firm has not begun commercial operations.</p>
Reporting Period	January 1 to December 31, 2023
Highest Ranking Person responsible for this report	Atty. Melchor J. Manalo

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.
The material topics were identified through a review of the sustainability-related topics recommended by SEC and determined which of those are deemed relevant by the Group's stakeholders and those which the Group has impact to. These were done through consultations with the Group's business units and its concerned departments.

NOTE: The discussion of impacts, risks, and opportunities are made per topic, instead of per metric, since the risks and opportunities apply to the topic rather than the individual metrics under one topic. This allows the Group to disclose more streamlined and focused narratives on each material topic, which would also apply to the metrics that correspond under the stated material topic.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	248,952,172.15	PhP Million
Direct economic value distributed:		
a. Operating costs (payments to suppliers)	102,587,179.69	PhP Million
b. Employee wages and benefits	21,517,694.94	PhP Million
c. Dividends given to stockholders and interest payments to loan providers	128,154.92	PhP Million
d. Taxes given to government	2,921,716.66	PhP Million
e. Investments to community (e.g. donations, CSR)	0.03	PhP Million

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Amount	Unit
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	90	%

Impacts & Risk; Stakeholders Affected

The economic value generated by RCI flows towards its stakeholders—employees, suppliers and service providers, shareholders, government, and host communities—who drive the success of the corporation. Through this, the Group enables its stakeholders to facilitate respective contributions to the local economy.

The main risks arising from the financial instruments are liquidity risk, interest rate risk, and credit risk. Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet maturing obligations. Credit risk is the risk that the Group will incur financial loss through default by counterparties in performing their obligations. Lastly, interest rate risk is the risk that the fair value or future cash flows on a financial instrument will fluctuate because of changes in market interest rates.

Incidences of corruption pose risks that could affect the flow of capital within the Group, depriving the rightful stakeholders. Additionally, while RCI invests in the preparedness for health-related and natural calamities, damages that may exceed the coverage of insurance or investment allocations may

materially affect the financial health and operational condition. For example, the Group sustained significant losses and is still recovering from the effects of the COVID-19 pandemic in 2020.

Management Approach to Identified Impacts and Risks

RCI is able to generate economic value through its subsidiaries' capability to attract and retain locators and tenants in its properties (RLC) as well as customers for its hotel and resorts operations (RAHC, AHG, & ART). Additionally, sales of its finished goods (RSAI) also generate revenue in the form of coconut-based products. These revenue streams are boosted by maintaining amiable business relationships within the stakeholder ecosystem, namely product distributors, suppliers, and service providers. In addition, RCI commits to fulfilling vendor accreditation criteria and ensuring on-time release of payment tranches.

The Group benchmarks itself against best practices of similar industries—ensuring that its customers receive the best value for their money. Meanwhile, the compensation packages of RCI employees are benchmarked against industry and national standards to ensure that the workforce are provided with livable wages. For suppliers and service providers, the Corporation ensures that service agreements are diligently followed by all involved parties.

Risk management is carried out by senior management under the guidance and direction of the Board of Directors of the Parent Corporation. RCI ascertains that the Board and employees are made aware of and are compliant with all related national regulations and stipulations stated in the Group's Corporate Governance Manual and Code of Business Conduct and Ethics.

Opportunities and Management Approach

RCI seeks to continuously innovate its products and services to further establish its brand in the market. The Group intends to explore new investment and growth opportunities as well as identify potential strategic joint venture partners to secure financing strategies for future projects. Moreover, the Group also aims to enhance overall operational efficiency by improving synergies across RCI's subsidiaries.

Following the new effects and risks brought by the COVID-19, RCI reviewed its risk management for infectious diseases and disrupted supply chains. Budgets were reallocated to prepare for this risk and continuously reassessed in anticipation of adverse impact to the business as well as newly created opportunities in new operating models.

Climate-related risks and opportunities

RCI is in the process of understanding, identifying, and evaluating the climate-related risks and opportunities intrinsic to its businesses. RCI aims to determine how to effectively measure climate change's impact to its operations and core services.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	0	%
Percentage of employees that have received anti-corruption training	0	%

Incidents of Corruption

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

Impacts & Risk; Stakeholders Affected

Any form of corruption significantly affects RCI's means to equitably deliver economic value to all its stakeholders. Corruption incidents would have an adverse impact to the Group's brand equity, its relationship with customers, and Corporation culture.

Management Approach to Identified Impacts and Risks

All newly-hired employees of RCI are presented with a Corporation Policy and Procedure pertaining to Employee Conduct & Work Expectations - Conflict of Interest Policy, which states that: "The appearance of impropriety must also be avoided. Employees should not appear to be unduly influenced or corrupted by personal favors from a customer or supplier." This policy is then acknowledged, and signed by every employee during the onboarding process.

Opportunities and Management Approach

RCI shall take measures to effectively evaluate its anti-corruption policies as well as benchmark and adopt local and international best practices on anti-corruption to strengthen our existing processes in preventing such occurrences.

ENVIRONMENT

Resource Management

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (biomass)	1,644	MT
Energy consumption (gasoline)	197.04	GJ
Energy consumption (LPG)	23,770	GJ
Energy consumption (diesel)	17,524.30	Liters
Energy consumption (electricity)	5,144,785.72	kWh

Impacts & Risks; Stakeholders Affected

RLC

The Corporation's main source of energy comes from electricity consumption, mainly through a local electricity provider. The firm relies on gasoline for the vehicles used in official business and diesel for its generator sets, aimed to offset power interruptions that affect the operations of commercial establishments. However, the Corporation consumes minimal amounts of LPG for several of its kitchen, laundry, and water feature operations.

The Company's overall impact on energy consumption largely depends on the degree of energy consumption of guests, tenants, customers, and employees within its operational establishments.

RSAI

The Firm consumes energy primarily for the sustenance of its operations and facilities. Its main source of energy is electricity, followed by diesel fuel and biomass energy respectively. Energy is integral in ensuring the Company's production year-round.

RAHC

Electricity comprises the majority of the Company's energy consumption. This is sourced mainly through a local electricity provider. Additionally, the Company consumes a minimal amount of diesel for its usage of generator sets during cases of power outages.

Management Approach to Identified Impacts and Risks

RLC

RLC has various energy efficiency practices across its business units, namely: RLC Realty, ART, RAHC, and AHG.

RLC Realty ensures that the use of the vehicles for official business is efficient. It invests in energy efficient equipment to decrease electric consumption for its facilities.

ART is able to effectively monitor the performance and efficiency of its facilities through its maintenance department. The Company has an existing policy to eliminate unnecessary usage of energy by strictly mandating that lights and equipment be turned off when not in use. ART also

reduces its energy consumption through the replacement of old light bulbs with more energy efficient LED lights.

AHG practices proper turning off of facilities and equipment when not in use.

RSAI

As an alternative to fuel, the Company utilizes biomass to fuel the operations of its boiler units. Its biomass power is derived from the coconut shells generated through its operations. In 2023, the firm was able to generate biomass energy from 1,664 metric tons of coconut shells.

RAHC

RAHC has designated its engineering officers to implement Enercon Programs to optimize electricity usage across its different properties. These programs aim to streamline responsible usage of energy consuming appliances and facilities.

Water consumption within the organization

Disclosure	Quantity	Units
Water consumption	183,031.24	Cubic Meters
Water recycled and reused	11,813	Cubic Meters

Impacts & Risks; Stakeholders Affected

RLC

Water is consumed for commercial use across the corporation’s properties, offices, and facilities. Its tenants and employees regularly consume water for domestic activities and facility maintenance. Its water supply predominantly comes from water district utilities. The Company also sources minimal amounts of water from a deep-well for its resort operations in Tagaytay. As such, water shortages from these sources may pose substantial risks to the Company, because such disruptions could potentially impede ongoing operations.

RSAI

The Company considers water as a vital resource as it is used for the processing plant’s steam generation and maintenance activities. Ensuring a stable water supply is crucial in maintaining the firm’s plant operations.

RAHC

Water is consumed by its tenants, guests, and employees.

Management Approach to Identified Impacts and Risks

RCI has been regularly monitoring its water impacts (consumption and discharges) while ensuring that water use is maximized across its owned establishments and commercial properties.

Opportunities

RSAI

The Corporation has identified water efficiency opportunities to be implemented in the near future. These opportunities consist of processes such as recycling coconut water condensate and reusing water for comfort room use and sanitary activities. It is preparing a robust water recycling program to streamline its identified opportunities to implement water efficiency initiatives.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume	3,459,828.00	MT
• Renewable	795,760.44	MT
• non-renewable	-	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services.	23	%

NOTE: Unable to acquire quantitative data as procurement of construction materials is outsourced through a third party

Impacts & Risks; Stakeholders Affected

RLC

Being the property development arm of RCI, it is responsible for managing real estate development projects across the Philippines. In 2020, RLC managed construction projects (Orchards, Landing Townhomes and Montana) wherein the contractors used materials, which primarily are steel and cement. However, materials consumed by RLC for its own operations are mainly composed of office and kitchen supplies.

RSAI

As a coconut processing company, RSAI regularly sources agricultural items for its daily production needs. Aside from its raw materials, the Corporation's top procured items are principally paper-based and polyethylene-based, used for packaging purposes.

RAHC

As an operator of hotels, RAHC does not have materials intensive processes in its operations. Its materials procurement is mainly composed of domestic and office items used for its daily hotel operations.

Ecosystems and Biodiversity

NOTE: Due to the nature of RCI's operations, this topic is not considered as material for the Group as it currently does not operate within the vicinity of locations with substantial biological diversity.

Environmental Impact Management

GHG emissions

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	NA	Tonnes CO2e

Energy indirect (Scope 2) GHG Emissions	NA	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	Not Applicable	Tonnes

Air pollutants

Disclosure	Quantity	Units
NOx	Not Applicable	Kg
Sox	Not Applicable	Kg
Persistent organic pollutants (POPs)	Not Applicable	Kg
Volatile organic compounds (VOCs)	Not Applicable	Kg
Hazardous air pollutants (HAPs)	Not Applicable	Kg
Particulate matter (PM)	Not Applicable	Kg

Impacts & Risks; Stakeholders Affected

RLC

The Corporation's primary sources of Scope 1 emissions come from its use of LPG, diesel, and gasoline fuel. It also consumes electricity across its different properties and facilities which contribute to Scope 2 emissions. The extent of RLC's air emissions is directly correlated to the scale of its energy consumption, predominantly from electricity generation and fuel consumption.

RSAI

The Company's primary sources of Scope 1 emissions are from its 18 TPH Biomass (Coconut shell fired) Boiler and its 1.5MVA diesel power generator. For its Scope 2 emissions, it generally consumes electricity to power its facilities.

RAHC

Scope 2 emissions comprise the vast majority of RAHC's GHG emissions as its daily operations rely heavily on electricity. Its scope 1 emissions are very minimal since the Corporation's fuel use is limited to its generator sets for emergency situations.

Solid and Hazardous Wastes

Solid waste

Disclosure	Quantity	Units
Total solid waste generated	131,877	Kg
Reusable	695	Kg
Recyclable	12,375	Kg
Composted	25,488	Kg
Incinerated	0	Kg
Residuals/Landfilled	10,342	Kg

Hazardous waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	349.02	Kg
Total weight of hazardous waste transported	2,488.07	Kg

Effluents

Disclosure	Quantity	Units
Average water discharge rate	320.79	Cubic meters/day
Total volume water discharge	214,691.90	cubic meters
Percent of wastewater recycled	0	%

**Scope is limited to RSAI's operations*

Impacts & Risks; Stakeholders Affected

RLC

Solid waste production occurs as a byproduct of the operations of the RLC's various establishments. Generated waste within the Company's scope mainly consists of domestic waste from the guest houses, canteens, and office spaces. For ART, there was no discharge for the year 2023 due to the reconstruction of its Sewage Treatment Plant (STP) system where manual dislodging is being conducted every 15 days, and with an estimated 80-200 cubic meters of waster water.

RSAI

In 2023, RSAI generated a monthly average of 2.99 metric tons of solid waste resulting from its manufacturing activities.

RAHC

The Company's generated waste is primarily domestic waste from tenants, guests, and employees' activities across its different properties.

Management Approach to Identified Impacts and Risks

ART

The Company operates a Materials Recovery Facility to responsibly store its solid waste before handing them over to certified waste disposal haulers for proper segregation. Furthermore, ART manages a Hazardous Waste Storage Facility where all hazardous wastes are properly labeled and temporarily stored. The resort has a schedule for proper disposal of hazardous waste, which is conducted by a DENR Certified Transporter and Treater.

To ensure that the Company's activities on handling, storing, and disposing of waste is documented and compliant with pertinent laws, the Pollution Control Officer prepares quarterly Self Monitoring Reports (SMR) and semi-annual Compliance Monitoring Reports (CMR) which are submitted to the Department of Environment and Natural Resources (DENR).

RAHC

Proper segregation is aligned with city ordinances on waste collection. Hazardous waste is also

properly stored before being turned over to certified waste disposal haulers.

AHG

Proper segregation is aligned with city ordinances on waste collection.

Environmental compliance

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	19,000	Php
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	0	#

Impacts & Risks; Stakeholders Affected

The Group’s business units are subject to local and national regulations and policies pertaining to environmental protection. It recognizes the compliance requirements which LGUs and DENR-EMB have on the respective parts of its business. The Group also acknowledges the risks that non-compliance of regulations pose to the continuity of its operations.

Management Approach to Identified Impacts and Risks

The Group has set in place governance measures and working teams who are responsible for ensuring that each of its operating assets are in full compliance with all relevant local and national environmental regulations.

RSAI

Management has engaged a third party laboratory provider, duly accredited by the DENR, to ensure continuous compliance with the required standards of the DENR for WWTP operations.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees	364	#
a. Number of female employees	155	#
b. Number of male employees	209	#
Attrition rate	24.97%	rate
Ratio of lowest paid employee against minimum wage	9:91	ratio

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	43%	%
% of male workers in the workforce	57%	%
Number of employees from indigenous communities and/or vulnerable sectors*	12	#

* Inclusive of PWDs, people of retirement age, and solo parents.

Impacts & Risk; Stakeholders Affected

RCI offers competitive compensation and benefits packages, which attract a diverse range of talents, both experienced professionals and fresh graduates, from various industries. The Company ensures compliance with minimum wage regulations across the regions where it operates, demonstrating a commitment to fair labor practices.

In terms of local impact, RCI's operations play a significant role in creating opportunities for communities surrounding its businesses. In the reporting period, the Company contributed to the creation of 93 new jobs through its core businesses, thus contributing to the economic growth and development in these areas.

Furthermore, RCI maintains a healthy male-to-female workforce ratio, with 57% male and 43% female representation in its social portfolio. Importantly, the Company is non-discriminatory in its hiring practices, embracing diversity and inclusivity by considering candidates regardless of age, gender, or physical disabilities.

Ensuring continued compliance with labor regulations and promoting diversity and inclusion remain critical aspects of RCI's risk management strategy. Additionally, the Company should monitor market trends and economic conditions closely to mitigate any potential impact on its workforce and local communities. By proactively addressing these factors, RCI can strengthen its position as a responsible corporate citizen and enhance its long-term sustainability.

Management Approach to Identified Impacts and Risks

To remain competitive, RCI has implemented support programs to improve engagement. These include a Financial Assistance Plan designed to provide timely support to employees facing financial challenges, and a performance recognition and rewards system that incentivizes and acknowledges outstanding contributions, thus motivating employees to strive for excellence.

Furthermore, recognizing the evolving needs of its workforce, RCI offers early retirement benefits to eligible employees, facilitating smooth transitions and optimizing workforce planning strategies.

By proactively addressing employee needs and providing tailored support programs, RCI not only strengthens its resilience to potential risks but also cultivates a culture of engagement and loyalty

among its workforce. This approach not only enhances business performance but also fosters a sustainable and thriving organizational ecosystem poised for long-term success.

Opportunities and Management Approach

As RCI navigates evolving conditions, management must adopt an agile approach to crafting strategies that safeguard both employees and operations from potential economic and social impacts. The strategic planning team needs to develop short, mid, and long-term plans to address industry shifts and fluctuations effectively.

Embracing agility in strategic planning enables management to respond promptly to changing circumstances, capitalize on emerging opportunities, and mitigate potential risks. By incorporating diverse timeframes into their planning, organizations can balance immediate needs with long-term sustainability goals effectively.

Furthermore, fostering collaboration and communication within the organization facilitates alignment towards common objectives, enhancing resilience and adaptability in the face of uncertainties.

Employee training and development

Disclosure	Quantity	Units
Total training hours provided to employees	6,463	hours
a. Female employees	3,233	hours
b. Male employees	3,230	hours
Average training hours provided to employees	18.21	hours
a. Female employees	20.86	hours/employee
b. Male employees	16.15	hours/employee

Impacts & Risk; Stakeholders Affected

Acknowledging the pivotal role of capability building in driving individual and organizational success, RCI places a strong emphasis on empowering its employees to deliver exceptional services to customers. In alignment with this commitment, the Company dedicates significant resources to training and development initiatives aimed at enhancing customer service, branding, and leadership skills.

In the past fiscal year, RCI allocated an average of 18.21 working hours per employee specifically for training and development endeavors. This strategic investment underscores the Company's proactive approach to nurturing talent and fostering continuous growth.

Led by the Human Resources department, a total of 6,463 hours were dedicated to upskilling the

organization's human capital. This concerted effort reflects RCI's unwavering commitment to cultivating a skilled and competent workforce capable of delivering excellence across all facets of its operations.

Management Approach to Identified Impacts and Risks

Given the speed with which things are changing, the workforce needs specialized training to apply new knowledge and best practices. Aside from providing in-house training to empower its employees, RCI has been in constant coordination with different government offices and entities like the Department of Tourism to avail of relevant training for its employees. Examples of learning sessions attended and held last 2023 were The Filipino Brand of Service, Objectives and Measures Writing, Effective Performance Coaching, 11 Pillars of Servant Leadership, Basic Leadership Skills, and seminars on the products of the Social Security System and PAG-IBIG Fund.

Furthermore, RCI proactively conducts regular alignment on training needs to assess current skills inventory and identify existing skills gaps. These are then mapped against functional requirements and customer demands. Thereafter, programs are formed and executed either solely by an internal team or in partnership with external experts who specialize in those pre-determined competencies.

These avenues allow for growth both professionally and personally as employees contribute more substantially to the Company's business objectives while giving each a degree of personal satisfaction.

Opportunities and Management Approach

Amidst the ever-evolving global business landscape, RCI recognizes an opportunity to strategically reinvest resources in training and development initiatives. This proactive approach aims to future-proof the Company's social capital, aligning it with the emerging trends and dynamics reshaping the tourism, agriculture, and real estate industries.

Understanding the imminent shifts in value chains within these sectors is paramount. For instance, traditional agricultural value chains may give way to more direct models like farm-to-table, driven by increasing market demand for transparency and sustainability. Similarly, the real estate sector is witnessing transformation, with evolving preferences in property development and management reshaping the market landscape.

Furthermore, ongoing innovations in lifestyle, particularly within the tourism industry, underscore the need for adaptability and foresight. Given the multifaceted impacts across various sectors, a thorough review and evaluation of strategy and forecasts are warranted. RCI is well-positioned to capitalize on these changes by integrating training and performance enhancement at the core of its operations.

However, the implementation team needs to exercise caution in defining appropriate performance indicators to ensure the effective application of acquired skills. By aligning training initiatives with evolving industry dynamics, RCI can not only stay ahead of the curve but also foster a culture of agility and innovation within the organization.

Labor-management relations

NOTE: This topic is not considered material for the Group as it currently does not have labor unions across its subsidiaries.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	849,455	Man-hours
No. of work-related injuries	14	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	15	#

*Note: The No. of work-related injuries are minor injuries that does not cause lost manhours.

Impacts & Risk; Stakeholders Affected

The employees of RCI's business units are exposed to various health and safety risks due to the nature of their operations. For RAHC, RSAI, and RLC, the majority of the headcount comes from the local labor force, which poses an evident risk in the form of a large dependency on the general health and wellness of the areas in which these employees occupy. This was proven true by the recent COVID-19 pandemic, which caused the cessation of tourism and hospitality-related operations due to the threat of the virus to public health. Over 50 percent of RCI's workforce were directly affected.

Management Approach to Identified Impacts and Risks

RCI prioritizes the recognition and identification of hazards and risks to ensure employee safety and well-being in the workplace. Through adherence to Occupational Safety and Health (OSH) standards and stringent compliance with government regulations, RCI maintains a proactive approach to risk management.

For instance, within RSAI, AHG, and ART, employees undergo comprehensive 8-hour OSH training during onboarding, led by our experienced in-house Safety and Security Manager. This training equips employees with essential knowledge and skills to navigate potential workplace hazards effectively.

Furthermore, RCI places a premium on preventive healthcare by providing employees with comprehensive Annual Physical Exams and access to Health Maintenance Organizations (HMOs). This initiative ensures that employees can consult health professionals without financial worry, promoting early detection and timely intervention.

Moreover, RCI actively engages with local government initiatives on health and safety, participating in community-led fire and earthquake drills to bolster preparedness and resilience.

Through these proactive measures and ongoing commitment to employee well-being, RCI fosters a culture of safety, health, and resilience across all sectors of its operations.

Opportunities and Management Approach

RCI recognizes the evolving landscape of occupational health and safety (OHS) standards as a prime opportunity for continuous improvement and proactive management. Building upon its existing framework, RCI is poised to implement more frequent periodic assessments of its readiness to ensure compliance with OHS standards.

In light of the heightened awareness surrounding health and safety prompted by recent events, such as the COVID-19 pandemic, RCI acknowledges the increased scrutiny from regulators, employees, and customers regarding the health and safety of its premises. Consequently, RCI is committed to reevaluating its current OHS systems to uphold its commitment to excellence in product and service delivery.

Additionally, RCI recognizes the importance of addressing mental health concerns in the workplace. In response, the Group is exploring initiatives to support employee well-being by providing training on stress management and mental health awareness. By equipping employees with the necessary tools and resources, RCI aims to foster a supportive work environment conducive to optimal performance and resilience.

Through these strategic initiatives, RCI aims to not only meet but exceed the expectations of its stakeholders by prioritizing the health, safety, and well-being of its workforce and customers. This proactive approach not only ensures regulatory compliance but also reinforces the RCI's reputation as a responsible and caring employer committed to excellence in all aspects of its operations.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	#

Do you have policies that explicitly disallow 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	N	
Child labor	N	
Human Rights	Y	From RCI's Code of Business Ethics (COBE): Section on Harassment and Bullying under Rules and Regulations of Code of Conduct

Impacts & Risk; Stakeholders Affected

Incidents of forced labor and child labor and violations of human rights violate labor-related laws and policies provided by the government. Allegations of abuse of human rights can escalate and develop into negative public perception, which impacts brand equity and customer loyalty. This is applicable across all RCI subsidiaries and, if present, must therefore be handled diligently.

Management Approach to Identified Impacts and Risks

RCI ensures that its businesses are compliant with and operate only within the boundaries and standards stipulated in regulations provided by both the national and local governments. RCI has a Code of Business Ethics which is communicated to employees during onboarding to make them aware of their rights as an employee. This process aims to prevent RCI’s operations from incidences of labor law violations and abuse of human rights.

Opportunities and Management Approach

The Group will be benchmarking best business practices in disallowing forced labor, child labor, and protecting human rights to further strengthen RCI’s labor-related policies. RCI will review its operations and assess where these violations are prone to happen, and identify how to mitigate occurrences of the same.

Supply Chain Management

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier’s Pre-Qualification Form
Forced labor	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier’s Pre-Qualification Form
Child labor	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier’s Pre-Qualification Form
Human rights	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier’s Pre-Qualification Form
Bribery and corruption	Y	This topic is explicitly stated in Section 4 of FM-PUR-02 – Supplier’s Pre-Qualification Form

Impacts & Risk; Stakeholders Affected

The Group ensures that they will not be involved or exposed to various human rights risks and environmental risks within its supply chain giving importance on the sustainability topics when accrediting and screening suppliers and by documenting these criteria in the Purchasing Policy and

Guidelines to ensure consistent implementation.

Management Approach to Identified Impacts and Risks

RCI conducts regular assessments of suppliers’ performance—ensuring their compliance with all labor-related laws and regulations. Suppliers are flagged should any notable actions be discovered during the review.

Opportunities and Management Approach

RCI is considering these ESG criteria (e.g. suppliers’ social and governance performance) in its supplier accreditation process. A revision of the existing Purchasing Policy will be done, if needed to document any change or inclusion for consistent implementation.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community
RLC - Residential/housing projects 1. Landing Townhomes and Shophouses 2. Montana @ Hacienda Palico 3. Orchards @ Balayan	Nasugbu and Balayan, Batangas	Not Applicable	N	Right to Housing; Local employment
RLC - Memorial Project (San Antonio Memorial Gardens)	Nasugbu, Batangas	Not Applicable	N	Right to Burial
RSAI - Coconut harvesting and Processing plant operations	Tupi, Cotabato	Not Applicable	N	Pleasant smell and minimal noise within plant proximity; Local employment

Impacts & Risk; Stakeholders Affected

Through RLC’s housing projects, the developer is able to provide a nurturing community to families that could help elevate their lifestyles and boost the local economy. Furthermore, they are able to provide decent jobs for the local community through construction and maintenance of these projects.

For its memorial park, it gives families a serene space where loved ones are always remembered in an atmosphere of togetherness.

Meanwhile, RSAI's business operations that are tied with the communities are coconut harvesting, technical support to organic coconuts farming, and its processing plant. The business relies heavily on the produce of local farms for the procurement of its raw materials. As such, they are strategically placed within the vicinity of numerous coconut farms, which it can potentially partner with. Additionally, the Company's operations are mostly carried out by local workers, enabling them to provide livelihood opportunities for its provincial location as well.

Furthermore, the processing plant's processes may generate loud noise and pungent smells in the surrounding areas, resulting in disruption of BAUs of other adjacent establishments.

Management Approach to Identified Impacts and Risks

The business operations of RCI's subsidiaries are placed across Makati City, Quezon City, Manila City, Tagaytay City, Batangas and South Cotabato. The Group ensures that it employs people from the host community to provide decent work and improve the local economy.

To prevent adverse social and environmental impacts to the host communities, the Group ensures that periodic consultations are done with the concerned LGUs and civil society organizations before and during project operations. This helps in identifying the pain points as well as finding ways on how to address them. Through this, the Group aims to establish good relationships at all times with the local community.

For RCI's construction projects, the pool of partners consists of a select set of contractors who are proven reliable to complete projects' within the expected period of time.

Meanwhile RSAI, through its Trade Fair and Organic Certification arrangements with its partner farmers, ensures equitable and transparent business partnerships with them. RSAI assists those farmers to increase coconut yield and improve their land fertility through employing organic, environment-friendly practices and new technologies and conducting training programs. In addition, the Company also partners with nearby schools for its immersion and OJT programs, which provides students with insights on the work opportunities in the food sector.

Opportunities and Management Approach

RCI is continually exploring opportunities in partnering with the local organizations and private companies which would help in community capacity building and improving social welfare of the host communities. As an example, RLC is exploring joint venture projects with other developers and/or contractors. Through this, more housing units will be made available in the locality. RAHC and RSAI will be working closely with the LGUs in identifying key opportunity areas where these business units may contribute the most.

Customer Management

Customer Satisfaction

Disclosure	Company	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	RAHC ***	(Overall) – 77%	N
		(GO Hotel North Edsa) – 79%	N
		(GO Hotel Timog) – 79%	N
		(GO Hotel Ermita) – 77%	N
		(GO Hotel Manila Airport Rd.) – 74%	N
	ART	93.10%	N
	AHG *	Not Applicable	N/A
	RLC **	Not Applicable	N/A
RSAI	Not Applicable	N/A	

NOTES:

* Currently, there is no feedback system yet for AHG. As a hospitality consultancy and management group, AHG rarely receives feedback in writings or score ratings. AHG performance is currently based on the profitability and efficiency of managed properties. Concerns / comments are raised verbally. In the event that hotel owners are not satisfied with AHG's service, management contracts may not be renewed.

** The need for a third party to conduct customer satisfaction in the realty business is not yet being considered. Internally, customer satisfaction is gauged primarily through feedback, sales performance, and reorders.

*** Due to the pandemic, Go Hotels have operated mainly as quarantine facilities. Because of this, there has been no online reviews for the majority of the year except for a handful that were posted prior to the declaration of ECQ. These handful reviews do not reflect the overall operations as it is just a small percentage of the total number of guests accommodated in 2020.

Guest surveys were also not collected directly from the guests to comply with the IATF ruling of minimal contact. These would also not be able to reflect the service of the hotels as the guests would have minimal to zero contact with the staff during their quarantine.

Impacts & Risk; Stakeholders Affected

Customer feedback serves as the gauge by which RCI determines how effective the group's products and services are in terms of delivering a premier customer experience (CX). Scores can be viewed as a representation of customer sentiment and leveraged on as a key channel to draw out insights from. Utilized well, the scores safeguards the company from failure to engage with its customers effectively.

At present, two hospitality developments (RAHC and ART) have existing mechanisms to measure CX, the former subscribing to a net promoter score (0-10) system and the latter ascribing to a the more conventional Customer Satisfaction Score (0-100%). In addition, other engagement channels like emails, phone numbers (mobile or landline), social media, sms, were communicated to the customers should they have any concerns

Both scores are essential to monitor as negligence risks loss of customer trust and bad public reviews, which negatively impacts brand equity.

Management Approach to Identified Impacts and Risks

The Customer Care Department, guided by its policy on Handling Customer Feedbacks, endeavors to ensure that all feedbacks are addressed properly in consultation with the management. The aggregated feedback is then integrated into training and employee development plans. Guest experiences, in the form of reviews, are used as references in workshops to address and improve experience.

Also, regular reviews of policies and procedures are conducted periodically and these are amended as necessary.

Opportunities and Management Approach

Opportunities present themselves in two fronts. The first is in furthering customer personalization. The prominent consumer behavior of the rising generation is authenticity. This entails that it would be essential for both RAHC and ART to craft their brands and customer journeys towards a highly personal experience. Secondly, reinforcing the first, the opportunity to digitize will drive growth and improvement in marketing and core services with the implementation of digital solutions to strengthen RCI's position. Such programs could range from developing an omni-channel approach to adapting a cloud-based Customer Relationship Management platform

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

Impacts & Risk; Stakeholders Affected

As a business who provides tangible assets as a form of product and service delivery, RCI aims for its customers to have an enjoyable experience when availing its products and services.

When receiving customer complaints regarding health and safety, it is essential that these are handled properly due to the large impact on customer loyalty. Mishandling of complaints also pose reputational risk—dissatisfied customers may share their unfortunate experience with their networks, resulting in less patrons and repeat customers.

Management Approach to Identified Impacts and Risks

RCI upholds its products and services' safety of use in the highest regard. The Group established proper quality assurance protocols which seek to communicate its standards on health and safety

from inbound logistics to product and service delivery. Furthermore, RCI ensures that its communication channels are open for complaints on products or services' health and safety. All filed complaints are coursed through the proper channel and delegated to their concerned departments.

Opportunities and Management Approach

Due to the COVID-19 pandemic, RCI anticipates that customers will now place an even higher regard for the cleanliness and safety of products and services. With this, the Company is exploring how to re-skill its employees in order to keep up with the higher standards brought by the pandemic. Moving forward, this also provides RCI an opportunity to update its health and safety management systems through third-party audits and certifications.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling	0	#
No. of complaints addressed	0	#

Impacts & Risk; Stakeholders Affected

The Group exposes itself to brand and reputational risk should there be proven misrepresentation on RCI's products and services. Mislabeled communication materials to RCI's customers may result in their disappointment when expectations on the brand are not met. Given the current digital age, there is ease also in spreading misinformation to people's networks. Hence, RCI shall be wary of all the advertisements and promotional materials that are being communicated to its customers.

Management Approach to Identified Impacts and Risks

It is RCI's due diligence to provide true and accurate information at all times. To support this, there are dedicated Marketing units who have been tasked to ensure that only correct marketing media will be used for the promotion of the projects through authentic RCI channels. This is done through regular conduct of reviews on RCI's product and service portfolio.

Furthermore, relationship managers are tasked to be transparent to potential clients on the Group's products and services to avoid setting unsuitable expectations from them.

Opportunities and Management Approach

The Group considers all feedback as an opportunity for improvement. Should the need arise, the Group shall engage the services of marketing and product design consultants to boost its marketing and advertising strategies.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

Data Security

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

Impacts & Risk; Stakeholders Affected

As part of ensuring operational excellence to deliver customer delight, collection of Personal Identity Information (PII) is fundamental. RCI primarily collects PII values such as names, dates of birth, addresses, ID information, contact numbers, credit card numbers, corporate Tax Identification Number (TIN), personal food preferences for Food & Beverage (F&B) services, and other health-related information among others. The PII information allows the operations team to consider and assess customer needs and preferences to give a top-of-class experience and provide relevant services and products.

Management Approach to Identified Impacts and Risks

In consideration of the synergy between customer PII data and organizational proprietary data, the Corporation decided to protect privacy by storing data in a password encrypted property management system. The system is sourced from an external provider, where RCI has entered into a user data agreement with affiliates such as Review Pro, SABA, Global Payments, INFOR, and Rate Gain to build layers of protection.

Furthermore, RCI complies with the Data Privacy Act of 2012 by gathering the consent of customers at the point of data collection and augments their protection by having a social media and data handling agreement signed by employees which clearly stipulates the scope of what they can and cannot do with data that customers and guests entrusted RCI with. Moreover, cybersecurity measures comprising equipment and processes have been set in place to tighten security, some of which are dual firewalls for work tools and routers; network isolation for guests and employees; and cctv and telephone lines using VLAN. The company strictly implements policy on internet usage and other applications, to reduce risks and prevent breaches while providing the appropriate training of responsible usage.

Other noteworthy actions are as follows: (1) for credit card information handling, only the last 4 digits are kept visible in the system and the rest are masked to secure the data; (2) for proprietary

information handling, most USB ports have been disengaged - especially at the Front Desk so as to keep any virus from being transferred and to protect the unauthorized sharing of confidential information; (3) Firewall licenses are being monitored regularly; (4) CCTV cameras are installed; and (5) internet access restrictions are found on most of the working tools of RCI employees.

Opportunities and Management Approach

As narrated in the Management Approach, RCI already holds a competent and comprehensive structure in data handling and management. Opportunities present themselves in the form of augmenting cybersecurity by the installation of firewalls and a data on-site/ cloud-based data servers for file and data protection; more data-related training across the employees of different subsidiaries on responsible use of work tools and the corporate network; and a regular process review to ensure modernization, reducing legacy systems, which are more prone to hacks and numerous malicious attempts.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
<p>All Subsidiaries - Human capital plays an integral role in delivering the RCI's key products and services. Thus, acquiring and retaining its talent pool goes hand in hand with the Group's ability to sustain and grow its businesses.</p>	<p>SDG Contribution:</p> <p><u>Goal 5 - Gender Equality</u></p> <p>The Group currently employs almost 50-50 male to female ratio for its workforce. RCI does not show discrimination against women and vulnerable groups in its hiring process as well as in the workplace.</p> <p><u>Goal 8 - Decent Work and Economic Growth</u></p> <p>The Group's ability to provide employment opportunities through its different business units contributes to local economic development. The Group currently employs 381 workers across its subsidiaries, providing decent work in the local regions where it operates.</p>	<p>Unequal pay and poor labor conditions; unheard employee grievances</p>	<p>Complaints are managed by the manager-in-charge and then to the HR. The HR Team then delegates the complaint to the right department to address the issue.</p>
<p>RSAI - Coconut-based products</p>	<p>SDG Contribution:</p> <p><u>Goal 2- Zero Hunger.</u></p> <p>Leveraging on its modern coconut processing technologies and the region's abundant supply of coconuts, RSAI was able to produce 2,600 tons of coconut-based products in 2021. These products provide nutritious, high-quality food options to the market.</p>		

	<p>Furthermore, RSAI’s business is involved in fair-trade agreements with local farmers, augmenting livelihoods in the process. Through these fair-trade agreements, local farmers are also provided access to training and technologies to help boost their productivity.</p> <p><u>Relevant SDG 2 Targets:</u> <i>SDG 2.1</i> - By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round.</p> <p><i>SDG 2.3</i> - By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.</p>		
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