



- Continued to help drive the digital transformation of the conglomerate by investing in start-ups with strong strategic relevance to the group. This includes investments in newer sectors and technologies which have the potential to disrupt key group businesses in the future.
- To promote ecosystem collaboration, JGDEV will look to regularly engage key Group SBUs in order to understand potential pain points, while also establishing a more high-touch approach with key start-ups to closely monitor the status of ongoing projects with the Group.



- As part of the value creation agenda, DAVI will provide access to a variety of dashboards designed to enable real-time performance monitoring, fast and informed decision-making and accelerate action on moving priorities.



in partnership with



JG SUMMIT
HOLDINGS, INC.



- Committed to delivering operational excellence to all our customers and third-party providers.
- Committed to making the roads safer for our employees, customers and the local communities we work in. DSSI will continue our regular education campaigns on defensive driving and safe practices for our third-party providers.
- Maximizing its operations' performance potential and creating an engaging and safe workplace, DSSI's Operations Management System, together with its First Choice way of life (OMS First Choice) is the company's operating system aimed at creating a performance management culture.

Sustainability



Enterprise Risk Management (ERM)

Our Risk Management Process

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

As a group, we employed a bottom-up approach involving various functional units of our operating companies — Airline, Food Manufacturing, Real Estate, Bank, and Petrochemicals — to identify, assess, prioritize, and build risk responses. Top risks identified at the functional unit's level were rolled-up to the enterprise level of our operating companies, and then to the JGS Group enterprise.

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

Risk Identification

Articulating our Business Drivers and Objectives

This initial step enabled our teams to identify key business drivers that influence our operability and performance. These include human capital, competitive advantage, and innovation processes, among others. Each business driver is assigned strategic and operational objectives which are owned by risk champions and risk owners from various functional units of our operating companies.

Understanding our Risks using Risk Identification Tools

Each risk champion and owner conducted their risk identification process using different tools such as risk factor analysis, megatrends analysis, and systems dynamics analysis. This enabled them to determine the factors that could prevent delivery of their unit's business objectives.

- **Risk Factor Analysis.** This involves identifying risk factors that are critical to the delivery of specific objectives and defining scenarios where these factors were compromised in the past or could be compromised in the future. This thought process made certain market and operational risks apparent to the teams.
- **Megatrend Analysis.** This process allowed us to have a better understanding of emerging risks that could change our business environment and competitive landscape. This covered sustainability-related megatrends, such as changes in market expectations due to climate change and nature loss. This enabled us to better capture ESG risks.
- **Systems Dynamics Analysis.** Some risks and risk drivers are systemic in nature. They may not be apparent using direct risk identification approaches and are better understood using a systems lens to uncover seemingly unrelated and indirect factors that affect our business performance. The issues we tackled included ESG factors, such as structural inequality that could influence the overall size of our markets.

Building our Risk Registry

Risks and risk drivers identified by our risk champions and risk owners were summarized, compiled, and documented to comprise our Risk Registry.

Risks Assessment

With the long list of risks identified in the foregoing step, our goal was to determine which of these risks, individually or as a risk system, can pose a significant impact in our ability to implement our strategies and deliver our business objectives.

Risk Categories

We grouped similar risks together into categories, as follows:

 Strategic Risk Concerns events that could affect the outcome of strategic decisions, such as mergers and acquisitions, key investments, resource allocations, and new business ventures.	 Reputational Risk Refers to anything that could impact the company’s brand value, public perception, and stakeholder relationships.	 Governance Risk Pertains to risks related to implementation of and adherence to policies and procedures and ethical practices within the organization.
 Emerging Risk Refers to new or developing risks that the company has little to no experience in, such as climate change, biodiversity loss, and pandemics.	 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 category, we developed impact parameters that clearly define what is considered insignificant, minor, moderate, major, or extreme impact to our business. Likewise, we set the likelihood parameters defining whether the chance of occurrence is rare, unlikely, probable, likely, or almost certain. Each operating company developed their own risk assessment scale depending on their context and risk appetite. In doing so, we made our risk rating process easier, standardized and more objective.

Risk severity is assigned a rating of either very low, low, medium, high, or very high depending on their impact and likelihood scores. In assessing risks, we rated the severity of impact based on their nature, regardless of our organization’s circumstances and capability to manage them.

Those risks rated medium to very high in severity were considered in the prioritization process.

Risk Prioritization

This process enabled us to focus our implementation of risk responses into certain high and medium severity risks based on our organization’s risk profile, vulnerability, and contribution. We also considered the urgency to address the risks.



Risk Profile

We considered our current risk profile, whether we are about to breach our risk appetite, or we are still well within our risk target. Priority for response action is given to high severity risks that are close to appetite breach.



Vulnerability

We prioritized risks based on our preparedness to manage them should they materialize. We focus on strengthening risk responses that we are still not equipped enough to handle.



Contribution

We examined our level of contribution to aggravating certain risks. This is particularly relevant to ESG risks like climate change impacts which we also contribute to. We take on these risks as our responsibility too.

Urgency of Response

Given our finite resources, we considered prioritizing our actions based on the urgency of the risks. To do this, we looked at two factors – velocity and mitigation timeframe. Velocity refers to how quickly we will feel the impact of the risks when they materialize, while mitigation timeframe refers to the length of time that we need to manage these risks. High velocity risks need to be acted upon immediately. However, we also prioritize acting on low velocity risks that require a longer timeframe to manage. For example, impacts of sea level rise because of climate change may not be felt as quickly as an extreme weather event, but we act on them today because it takes more than a decade to decarbonize and improve our resilience to better manage this risk.

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 parent level, specifically those that are common to most of our businesses.

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

Given the dynamic nature of risks, the entire risk management process is iterated and reviewed at the functional, corporate, and group-wide levels.



Risk Governance

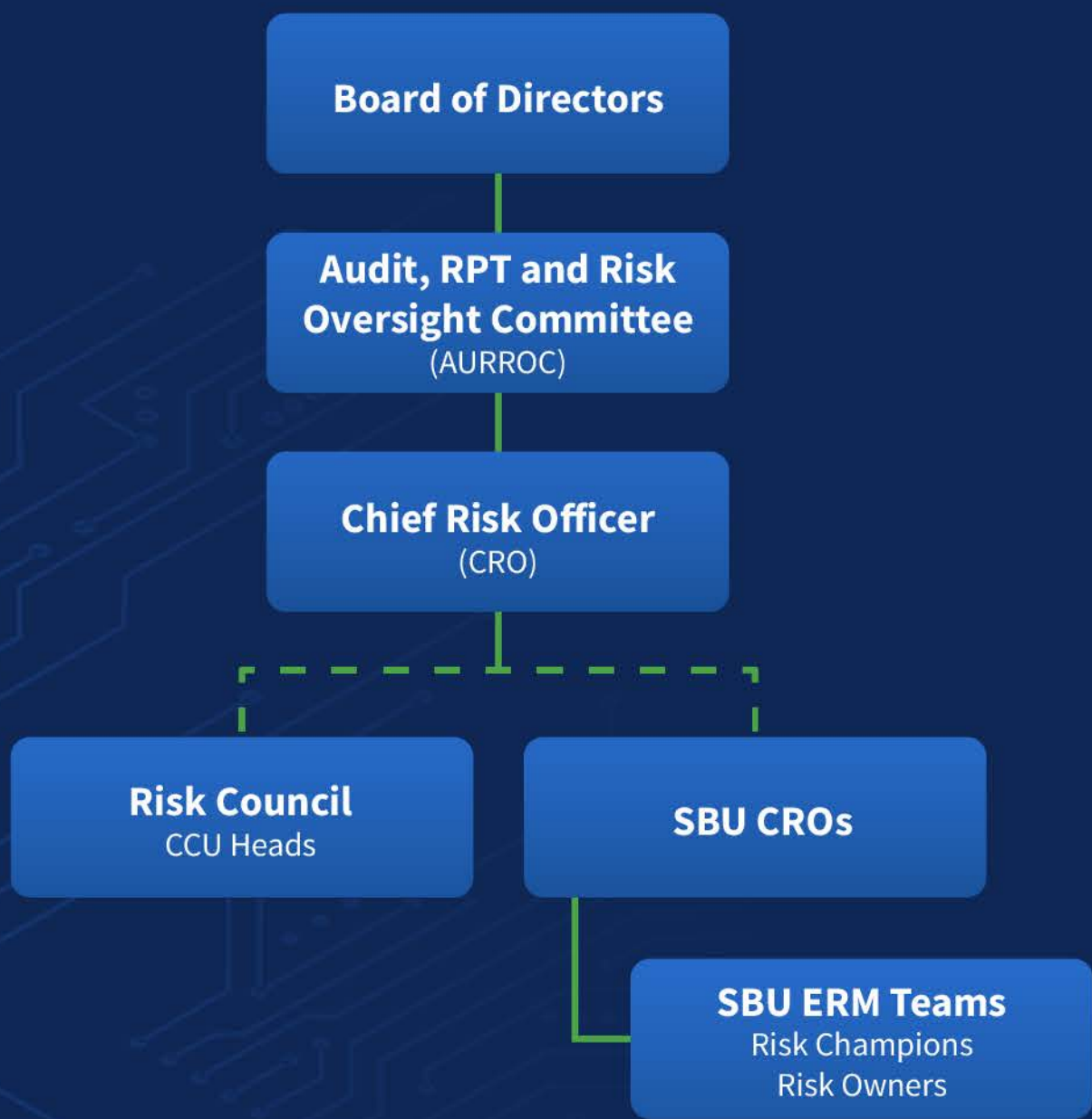
Engaging and building the capacity of personnel in key risk functions is crucial in maintaining strong Enterprise Risk Management and Governance. In 2021, JGSHI identified key risk owners and risks in each operating company and the Corporate Center Unit and provided them with the needed tools to conduct more comprehensive risk identification, assessment, and prioritization.

This enhanced their competency to ensure that sustainability and emerging risks within their control are captured and managed well. Top risks for each functional unit were rolled up to the enterprise level of each operating company and further elevated to JGS’s level.

These processes form part of JGS Group’s risk management and governance policy.

ERM Structure, Roles and Responsibilities

The following structure represents the line of responsibility of key functions that ensure the management of all risks that are material to the company.



The responsibilities of the Board, the Management, and other critical functions in our ERM process are specified below.



Board of Directors

- Oversee the establishment of an internal control system to monitor and manage potential conflicts of interest and an ERM framework to identify, monitor, assess, and manage key business risks



Audit, Related Party Transactions and Risk Oversight Committee (AURROC)

- Oversee the establishment of the ERM framework and provide oversight over the company's risk management policies and procedures to anticipate, minimize, control, or manage risks or possible threats to its operational and financial viability
- Oversee the development and implementation of a formal ERM Plan and evaluate the ERM Plan to ensure its continued relevance, comprehensiveness, and effectiveness
- Review the corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and occurrence of major events that may have a major impact on the company
- Report to the Board on a regular basis, or as deemed necessary, the Company's risk, material risk exposures, the actions taken to reduce the risks, and recommend appetite levels, risk tolerance limits, further action, or plans, as necessary



Chief Risk Officer

- Lead 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
- Spearhead the development, implementation, maintenance, and continuous improvement of ERM processes and documentation
- Communicate and report significant risk exposures, control issues, and risk mitigation plans to the AURROC



Risk Council

- Define the company's risk management strategies
- Identify and analyze key risk exposures in all areas, including those relating to Economic, Environmental, Social and Governance (EESG) factors and the achievement of the Corporation's strategic objectives
- Evaluate and categorize each identified risk using the Company's predefined risk categories and parameters
- Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence
- Establish a risk register with clearly defined, prioritized, and residual risks
- Develop risk mitigation plans for the most important risks to the Company, as defined by the risk management strategy
- Initiate a dialogue and provide a forum for members from across the enterprise to openly discuss risks
- Monitor the risks as well as the effectiveness of response plans and provide feedback to the risk owners



Business Unit Risk Champions and Risk Owners

Risk Champions

- Composed of heads of each functional or business unit, who are responsible for setting and implementing controls of risks relevant to their department's function
- Regularly review, monitor, and update the risk register and ensure that newly emerging risks are identified, assessed, and prioritized
- Act as the ERM subject matter experts on specific risk categories and collaborate with other risk champions to better understand risk interaction across departments
- Recommend risk appetite for consideration by ERM Team, Risk Council, and CRO
- Ensure effective execution and continuous improvement of the ERM process in their respective business functions

Risk Owners

- Directly accountable and responsible for the identification and management of assigned risks
- Work with risk champions to determine best approaches to managing the risks, evaluate the effectiveness of response, and track and report residual risks, recommend further risk treatment to risk champion and the ERM Team



Internal Audit

- Provide independent assessments to the AURROC, Management, and outside parties on the adequacy and effectiveness of governance, risk management, and control processes for the Company
- Evaluate whether risks relating to the achievement of the company's strategic objectives are appropriately identified and managed
- Periodically review and present to the AURROC the significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by the Board Committees
- Review any response to risk by management that may be unacceptable to the Company

JGS Group Top Risks Summary

Strategic



- Meeting customer needs
- Portfolio management
- Performance of new businesses
- Group synergy

Reputational



- Corporate image and third-party ratings

Governance



- Compliance with company policies

Emerging



- Climate risk response
- Geopolitical tensions
- Regulatory changes due to climate risks

Operational



- Equipment and process management
- Supply chain disruptions
- Product quality
- Geohazards and disruptive weather events

IT and Digitalization



- Cybersecurity
- Technology change management
- Technological resources

People



- Talent recruitment and retention
- Occupational health and safety
- Employee change management

Financial



- Volatility in input costs
- Foreign exchange regulation
- Protracted economic recovery

Legal and Compliance



- Changing regulatory environment
- Potential legal disputes
- Variance in tax law interpretation
- Post-election transition risks



Strategic Risks



Definition

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



Implications to JGS Group

- Ability to foresee arising customer needs and expectations will retain and attract new business relationships
- New businesses are expected to meet identified business metrics and key performance indicators
- Risk and return objectives may not be realized if portfolio mix or strategy are not optimal
- Synergy among the JGS Group businesses relies on the alignment of objectives, stakeholder buy-in, internal process effectiveness, and anticipation of external issues



Risks

- Unmet customer needs or expectations
- Performance of new businesses
- Portfolio management
- JGS Group synergy



Risk Treatment

- Conduct sector analysis in relation to customer trends, and gather customer insights through engagement
- Incorporate risk management in implementing the OGSM process
- Maintain a diversified portfolio along with adequate investments in fixed income instruments and high dividend paying equity investment
- Review of portfolio strategy, ecosystem synergies, OGSM process implementation, and internal alignment among groups



Reputational Risks



Definition

Refers to anything that could impact the company's brand value, public perception or stakeholder relationships



Risks

- Corporate image and third-party ratings



Implications to JGS Group

- Third-party views and ratings of the JGS Group may affect external stakeholders' views of the group
- The JGS Group, being one of the largest conglomerates, may always be subject to close scrutiny by various stakeholders



Risk Treatment

- Active scanning of mainstream and social media outlets and monitoring of the business positioning in the market and external reputation
- Consistent engagement with the capital markets and investors, including effective communication of sustainability plans, initiatives, and practices to investors and the general public



Governance Risks



Definition

Pertains to risks related to the implementation of and adherence to policies and procedures and ethical practice within the organization



Implications to JGS Group

- Unintended breaches to company policies and ethical standards may result to significant financial losses, operational inefficiencies, loss of stakeholder trust or reputational damage



Risks

- Compliance with company policies and processes



Risk Treatment

- Strengthen process and internal control measures and functions (capability building, self-assessment tools)
- Effective risk assessment and audit planning methodologies
- Reinforcement of good corporate governance practices and training on code of business conduct and ethics



Emerging Risks



Definition

Refers to new or developing risks that the company has little to no experience in, such as climate change, biodiversity loss, and pandemics



Implications to JGS Group

- Sustainability and climate change-related risks, such as more extreme weather events, may hamper company operations
- Regulatory changes due to sustainability and climate change concerns, such as carbon pricing, emissions caps, and extended producer responsibility, may affect company operations through increased costs of compliance
- Rising tensions can affect global commerce and security and may cause supply chain bottlenecks, inflationary impact for key commodities and diminished appetite for making strategic transactions



Risks

- Necessity of mitigation plans for sustainability and climate change-related risks
- Regulatory changes due to climate risks
- Geopolitical tensions



Risk Treatment

- Develop Group-wide action plans for identified sustainability and climate change risks in partnership with the SBUs and CCUs
- Monitor new legislative proposals and regulatory trends and identify potential effects on operations
- Future-proof holdings by setting sustainability and climate-related targets that meet or exceed potential regulatory requirements
- Incorporate geopolitical risk analysis and strategic foresight planning in market and transaction evaluation and formulate possible contingencies to supply chain disruptions



Operational Risks



Definition

Relates to factors that could potentially disrupt routine business activities or impair property, infrastructure, and security



Implications to JGS Group

- Unforeseen equipment failures can cause disruption in operations and may impact worker safety
- The quality of our products influences our relationship with our customers and their perception of the company
- Our petrochemicals and food manufacturing businesses may be affected by supply interruptions, which may be due to geopolitical issues, natural disasters, and supplier locations or due to extended effects of COVID-19, higher operating costs, and drop in consumer spending
- Disaster preparedness is crucial in reducing the risks of geohazards and extreme weather events that may impact physical assets, operations, and personnel



Risks

- Equipment and process management
- Product quality issues
- Supply chain disruptions
- Geohazards and experienced weather events



Risk Treatment

- Ensure proper operations management systems are in place
- Employ quality management systems to ensure product quality is according to standards
- Maintenance of sufficient inventory, documentation of supplier contracts, and local/diversified sourcing of raw materials
- Crisis management plans and business continuity plans that are reviewed and tested periodically
- Continual review of Insurance policies to ensure adequacy of coverage for facilities, assets, and people



IT and Digitalization Risk



Definition

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



Implications to JGS Group

- JGS Group actively works to prevent unauthorized data access and uphold data confidentiality, integrity, and reliability
- Growth is fueled by the availability of technological resources, including people, processes, data, software, and other tools
- Employee agility and the ability to adapt to new ways of working is a key driver of JGS Group's digital growth



Risks

- Cybersecurity
- Upgrade of technological resources
- Technology change management



Risk Treatment

- Strengthen the security posture of JGS using pragmatic and holistic solutions, including active application of protective and preventive controls, continuous monitoring of the enterprise computing landscape, timely and accurate alerting, threat identification and analysis; implementation of carefully laid-out incident response and recovery activities
- Continuous training on cybersecurity and data privacy
- Use of group ecosystem, resources, and partners to implement key activities
- External benchmarking for best practices and business tools
- Organizational design and sustainability planning to ensure continuity



People Risks



Definition

Refers to factors and events that could compromise the wellbeing, productivity, and performance of our employees



Implications to JGS Group

- JGS Group competes in the job market for digital talent and retaining the current employee pool
- Employee acceptance and buy-in are necessary for proposed organizational changes
- The correct and consistent implementation of OHS protocols is necessary to ensure employee safety



Risks

- Talent recruitment and retention
- Employee change management
- Occupational Health and Safety (OHS) implementation



Risk Treatment

- Upgrade talent acquisition strategies and standardize screening process
- Implementation of HR programs for employees' personal and professional growth and development, including cross-posting and internal movements within the JGS ecosystem
- Utilization of data insights and advanced analytics and wages and benefits benchmarking
- Proper communication and engagement with employees in relation to policies and proposed company changes that may affect them
- Training on health and safety, including webinars on OHS and emergency drills practice
- Implementation of OHS Policy, and employment of OHS Officers at the BU level
- Comprehensive health and life insurance coverage for employees



Financial Risks



Definition

Risks that could affect the financial position or performance of the company such as credit, liquidity, and foreign currency risks



Implications to JGS Group

- Majority of our businesses use input commodities (e.g. fuel, agricultural goods), which may vary in price and so affect profit margins
- Our aviation and real estate operations are heavily affected by COVID-induced economic recession
- The government or central bank regulates foreign exchange inflows and/or outflows restricting liquidity



Risks

- Volatility in prices of input costs (e.g. fuel, agricultural goods) needed by the businesses
- Protracted economic recovery from COVID-induced recession
- Foreign exchange regulation



Risk Treatment

- Cost savings initiatives for products, packaging and raw materials, contract-buying/hedging, diversification of suppliers, and local sourcing
- Streamline business operations and prudent management of liquidity, manage operational costs, and capital expenditures
- Support the country's pandemic response and reopening of the economy by assisting in the procurement, distribution, and administration of vaccines
- Maintenance of foreign currency-denominated financial assets offshore
- Strengthen relationships with foreign banks to facilitate offshore borrowing



Legal and Compliance Risks



Definition

Risks related to compliance with rules and regulations, adaption to changing political landscapes and new government pronouncements, as well as exposures that could arise from contractual obligations, regulatory changes, and legal disputes



Implications to JGS Group

- Internal control failures that may result in non-compliance with regulations such as on environment, health and safety, tax and labor, may lead to penalties, disruption in operations, and reputational damage
- Prolonged legal proceedings or unfavorable outcomes may result in fines, sanctions, liabilities, or higher costs to the business, as well as reputational damage
- Differing interpretations of complex tax laws
- The elections require preparing for potential policy and regulatory changes
- JGS Group's diversified portfolio includes industries that are heavily regulated, such as aviation, petrochemicals, food manufacturing, and banking



Risks

- Changing regulatory environment
- Potential legal disputes
- Variance in tax law interpretation
- Post-election transition risks



Risk Treatment

- Ensure compliance with regulatory requirements through regular monitoring, auditing, and timely remediation when necessary
- JGS Group's Legal team coordinates with the SBU/CCU concerned on the potential issues and pursue all remedies available
- Engage third-party tax consultants as necessary
- Actively monitor post-election environment and identify early regulatory developments and emerging policy directions
- Continue working with government to ensure constant communication and appreciation of policy positions in full transparency

Sustainability at JGS

Our Sustainability Journey

It has been four years since we at JGS kickstarted our sustainability journey. Since then, we have created the JG Summit Sustainability Leads Council, integrated sustainability in our five-year business strategy, and began publishing our annual Sustainability Report.

Concurrently, our SBUs have also been working to institutionalize and implement sustainable practices in their respective industries and monitoring their performance against global standards. Through these efforts, we have appreciated how much impact we can make together as a group, but also realized how much we still can and need to do.

In 2021, we aimed our focus on climate action. True to our word, we have taken initial steps in adopting the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD) through enhancing our Enterprise Risk Management to include climate-related risks and solidifying our commitments for each of our Sustainability Focus Area.

Moving forward, we will set sustainability targets at group-wide level and SBU level. To complement this, we are also looking into accelerating our TCFD efforts through conducting climate scenario analysis.

2018



2019



ROBINSONS LAND CORPORATION



2020



2021



2016

Universal Robina Corporation started incorporating sustainability practices into its business strategy.

2018

Appointed Lance Y. Gokongwei as President and CEO of JG Summit Holdings and announced Sustainability as a key enabler to the success of the business.

Designated the Corporate Affairs and Sustainability Group to lead the development of Sustainability Strategy together with subsidiaries and in tandem with the Corporate Investor Relations Group.

Created the JG Summit Sustainability Leads Linked Team to help the subsidiaries develop their Sustainability Agenda.

Universal Robina Corporation published its first sustainability report.

2019

Held a CEO Summit where each SBU created a five-year business strategy integrating sustainability processes.

Robinsons Land Corporation published its first sustainability report.

Cebu Pacific released its first sustainability report.

2020

Published the inaugural JG Summit Sustainability Report.

2021

Initiated our climate journey by integrating Sustainability Risk in our Enterprise Risk Management.

Built capability on Science-Based Targets through training and workshops.

Established Corporate Governance and Sustainability Committee at Board level.

2022

Adopt the recommendations by the Task Force for Climate-Related Financial Disclosures (TCFD).

Develop and set ESG targets at group-wide and SBU level.

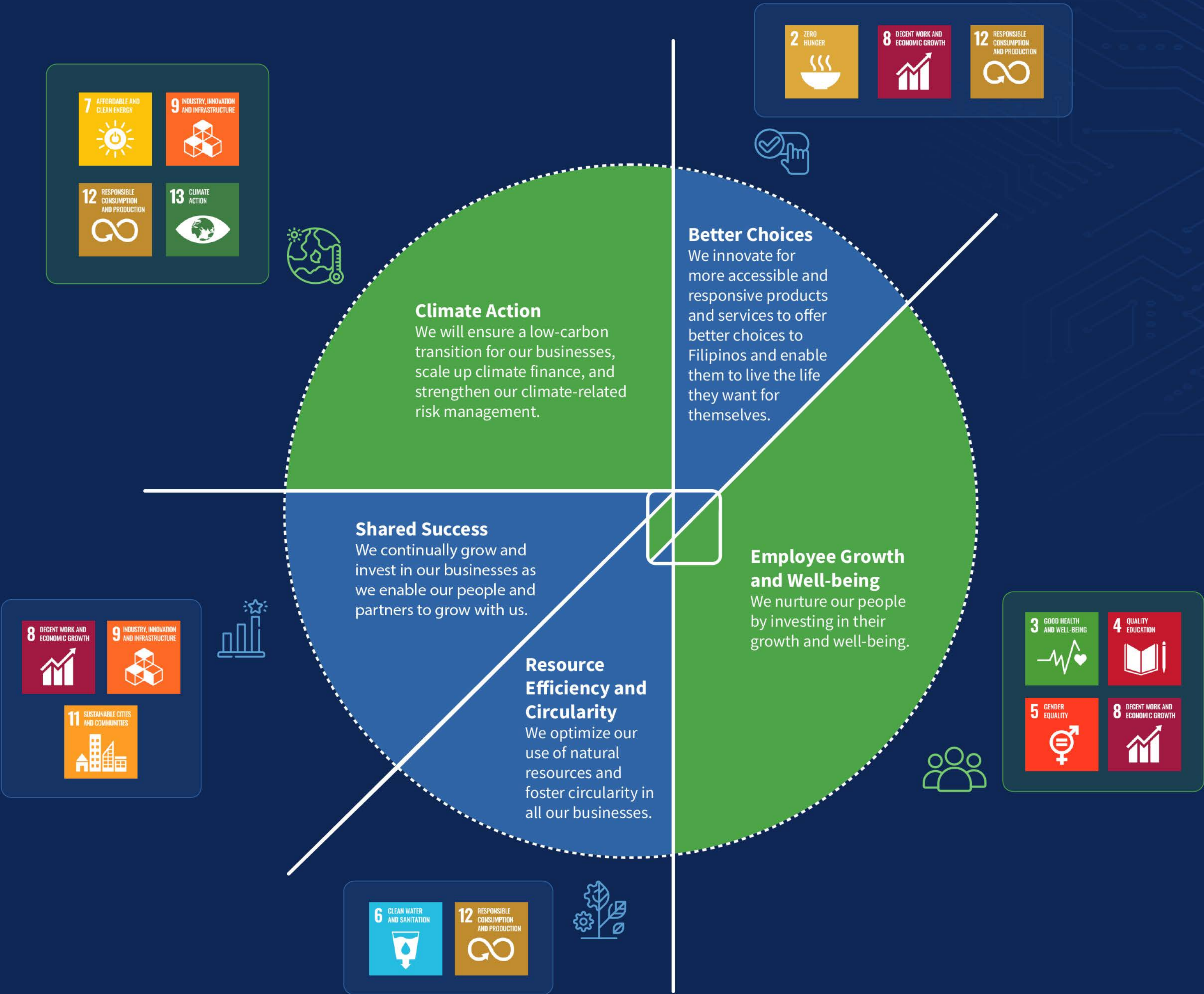
Continued Focus on Sustainability

Focus Areas and Key Actions

JGS's Sustainability Framework summarizes the group's five Sustainability Focus Areas, where we are best positioned to deliver meaningful contributions, address our most pressing societal and environmental issues, and ultimately uplift Filipino lives through generations.

This year, we strengthened our materiality by working with our respective businesses to define how they can most effectively contribute to the achievement of our group-wide ambitions. We did this by reviewing the materiality of each of our businesses and scanning which sustainable development issues they are best positioned to tackle while also generating business value. We then prioritized sustainability issues that (1) the businesses impact at a significant level, (2) present risks and opportunities to their objectives, (3) require solutions that are aligned to their strategy, and (4) are within their capability to deliver meaningful change. For each of those prioritized issues, we defined a set of actions that are most strategic for the SBUs to implement.

The strategic actions identified by each of our businesses were consolidated and aligned to the group's five focus areas. This allowed us to view our group in a holistic manner and discover opportunities for synergy among our businesses to multiply our impact and at the same time, maximize our use of limited resources. Our goal is collaborative action towards group-wide ambition.



Our Commitments

We declare our sustainability commitments for the coming years as follows:



Climate Action

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

- We invest in modernizing our airline fleet and fuels to the best available in the market.
- We focus on improving operational efficiency in our airline, food manufacturing, and petrochemical businesses.
- We create resilient and low-carbon spaces in our real estate business through land use planning and efficient building design.
- We supplement these initiatives by supporting other companies by financing climate-related projects through RBank.
- We will use science to better understand the physical and transition risks of future climate scenarios in all our investments.
- We will scale the use of renewable energy in all our businesses.



Resource Efficiency and Circularity

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

- We continuously improve process efficiency in our resource-intensive business lines, so that we limit the use of scarce resources such as land, construction materials, and input commodities.
- We recover and divert waste from our operations, products, and services.



Employee Growth and Well-being

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

- Our people are our greatest asset. We attract and retain the best people by establishing an engaging atmosphere and providing opportunities for professional growth.
- We look after the overall well-being of our employees, always ensuring their health and safety.



Shared Success

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

- Our Partners
 - We provide equitable economic opportunities to our suppliers and service providers to help them remain profitable in times of uncertainty.
 - We will equip our suppliers and business partners with tools that will help them manage their ESG risks.
- Our Communities
 - We invest in community enterprise development, with the goal of local communities becoming our suppliers.
- Policies for Equitable Practice
 - We ensure the equitable flow of economic value to all our stakeholders through inclusive management and governance.



Better Choices

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

- Healthier Options
 - We provide consumers with high quality, healthy, and nutritious food choices.
- Green Buildings
 - Our new RLC Office Buildings in Metro Manila will be green certified.
- Affordable Flights
 - We ensure that every Juan can travel by providing affordable and accessible flight options.
- Inclusive Finance
 - Our banks provide financial services to rural areas and the unbanked.
- Innovative Petrochemical Products
 - We continuously innovate our petrochemical products and provide solutions to address clients' needs and requirements.

JGS will disclose its sustainability targets in 2022.

2021 Sustainability Performance

JGS made large strides in its sustainability performance in 2021, launching new initiatives that improve the lives of Filipinos while further continuing and expanding ongoing programs. With our interests in various industries, we are also in the unique position and responsibility of greatly contributing to the UN Sustainable Development Goals through our wide range of products and services.

Climate Action

As a group, we have taken steps to manage our GHG emissions by sourcing renewable energy and investing in improving our operational efficiency. These programs have significantly reduced our group-wide emissions.

Php 148 Million



investment in RLC onsite
solar panels

Php 2.34 Million



investment in sourcing 100%
clean electricity

16 Airbus A330neo



units purchased

27.62 GWh



of on-site renewable energy

Approach	Activities and Projects	Outcomes	SDG
 Reduction of property emissions	• Php 148 million investment in onsite solar panels in 2021; total of Php 1.6 billion since 2015 • Php 2.34 million investment as a form of deposit for a supply agreement with a Retail Electricity Supplier (RES) that supplies 100% renewable energy	• 2 malls with combined 3.27 MW capacity energized in 2021 (Robinsons Place Santiago and Butuan) • 24 malls with 30.70 MW capacity since 2015, providing 21% of these malls' total energy needs • Total of 18,887.47 tons of CO₂e avoided in 2021 for all malls	 
 Shifting towards a more modern and fuel-efficient fleet	• Purchase of 16 Airbus A330neo (New Engine Option) in 2021, with one aircraft delivered in November 2021 • Eco-friendly features of the A33neo include: 25% less fuel use versus previous generation aircraft, 60% less noise pollution, compliant with ICAO's CO₂ emissions standards	• Information on actual fuel savings and GHG reduction will be available in 2022	 

Approach	Activities and Projects	Outcomes	SDG
 Reduction of overall emissions	- Sourced renewable energy for BCF Bagumbayan facility starting 2021 through an RES - Presence of onsite solar panels in BCF Canlubang and BCF Thailand. BCF Canlubang was energized in 2020, while BCF Thailand was partially energized in 2020 and completely energized in 2021 - Presence of onsite biogas plants in URC-AIG's chicken farm in Naic, Cavite (Robina Farms 23) and piggery in San Miguel, Bulacan (RF 12) since 2015	- Renewable energy comprised 37.9% of URC's total energy consumption 1,768.89 MWh of renewable energy supplied to BCF Bagumbayan facility in 2021 1,768.89 MWh of renewable energy supplied to BCF Bagumbayan facility in 2021 3,490.83 MWh of onsite solar energy generated and used at the BCF Canlubang and BCF Thailand facilities in 2021 241,966.11 MWh of onsite biogas energy generated and used at RF 23 and RF 12 in 2021	 

Case Studies: Climate Action

RLC & URC: Going for Renewable Energy

The climate crisis is an issue that literally hits close to home. Our country, the Philippines, is one of the most vulnerable to the effects of climate change. We have seen firsthand the devastation brought by recent typhoons to our communities. With this comes a looming threat that these natural calamities are only bound to get stronger and more frequent. That is if we do not act now.

We at JGS are steadfast in our commitment to climate action. Two of our units, RLC and URC, take the lead within the group with investments in renewable energy.



In 2021 alone, RLC installed solar panels to two of its malls. Since the start of this initiative in 2015, we now have a total of 24 solar-powered malls with a total capacity of 30.79 MW. Overall, 20.69% of these malls' electricity is obtained from solar energy, avoiding the release of 18,887.47 tons of CO₂e in 2021. Our investments for onsite solar panels for the malls have so far totaled to Php 1.6 billion.

RLC also supplies renewable energy to its properties through a Retail Electricity Supplier (RES). Robinsons Magnolia's new wing and Robinsons Offices' Giga Tower are both 100% powered by renewable energy through an RES.

In URC, 37.9% of its electricity needs are met by renewable energy. BCF Canlubang and BCF Thailand have onsite rooftop solar panels with combined 7 MW capacity, generating 3,490.83 MWh of electricity in 2021. The BCF Bagumbayan facility started purchasing renewable energy from an RES in 2021, consuming 1,768.89 MWh. URC also operates two biogas facilities – one in a chicken farm (Robina Farms 23) and one in a piggery (RF 12). Anaerobic digestion of the chicken and pig manure by microorganisms produces methane, which is then fed to generators. The 500 kVA and 270 kVA generators generated 241,966.11 MWh of electricity in 2021.



CEB: Shifting Towards a More Modern and Fuel-Efficient Fleet

CEB is constantly working to reduce carbon emissions and minimize the environmental impact of its operations. We expect improvements in CEB's emissions in the coming years because of its recent purchase of 16 Airbus A330neo (New Engine Option) aircraft. One unit already arrived in November 2021. The A330neo uses 25% less fuel than previous generation aircraft, consuming as little as 1.4 liters per seat per 100 kilometers, thus burning less fuel and emitting less carbon. The A330neo is the first aircraft in the world already certified to comply with ICAO's CO₂ emissions standards beyond 2028.

CEB also discloses its carbon emissions on a voluntary basis to the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) and through our sustainability reports. In addition, opportunities for voluntary carbon offsetting are also being explored to compensate for emissions not included in CORSIA.

We aim to further expand these efforts to demonstrate our commitment to climate action.

TCFD Framework

The TCFD Recommendations involve four thematic areas, which are Governance, Strategy, Risk Management, and Metrics and Targets. TCFD provided each thematic area with general guidance on what to disclose, along with more specific recommendations.



TCFD Thematic Areas and General Disclosure Guidance	Recommended Disclosures
Governance General Guidance Disclose the organization’s governance around climate-related risks and opportunities.	1. Describe the board’s oversight of climate-related risks and opportunities. • JGS’ Audit, RPT and Risk Oversight Committee (AURROC) assume the following responsibilities in relation to its Enterprise Risk Management (ERM), which includes climate-related risk considerations: ◦ Oversee the establishment of ERM framework and provide oversight over the company’s risk management policies and procedures to anticipate, minimize, control, or manage risks or possible threats to its operational and financial viability ◦ Review the corporation’s risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and occurrence of major events that may have a major impact on the Company ◦ Provide guidance and oversee policymaking on the Company’s sustainability strategies, programs, initiatives, and reports ◦ Ensure overall Company support and alignment with appropriate standards and best practices on economic, environmental, social and governance (EESG) and sustainable development 2. Describe management’s role in assessing and managing climate-related risks and opportunities.

TCFD Thematic Areas and General Disclosure Guidance	Recommended Disclosures
	• JGS has an AURROC that has the following responsibilities: ◦ Define the company’s risk management strategies ◦ Identify and analyze key risk exposures in all areas, including those relating to EESG factors and the achievement of the Corporation’s strategic objectives ◦ Develop risk mitigation plans for the most important risks to the Company, as defined by the risk management strategy ◦ Communicate and report significant risk exposures, control issues and risk mitigation plan to the Board <i>Please refer to JGS’s Risk Governance for more information.</i>
Strategy General Guidance Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.	1. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. • Through our ERM process, we have identified Emerging Risks related to climate and how these may impact our businesses. These risks include more frequent and more severe extreme weather events and sustainability and climate-related regulation, such as carbon pricing and emissions caps. We have identified risk treatments that will be implemented to mitigate these risks. 2. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning. • We identified the following climate-related risk implications:

TCFD Thematic Areas and General Disclosure Guidance	Recommended Disclosures
Risk Management General Guidance Disclose how the organization identifies, assesses, and manages climate-related risks.	◦ Sustainability and climate risks, such as more extreme weather events, may hamper our operations and affect the company’s infrastructure and physical assets. ◦ Regulatory changes due to the transition to the low carbon economy, such as carbon pricing, emissions caps, and extended producer responsibility, may affect company operations through increased costs of compliance. 3. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. • JGS plans to conduct climate scenario analysis to better understand our company’s exposure to different risks under different climate futures. Analyzing these climate risks and impacts on our facilities will help inform our investments and actions. 1. Describe the organization’s processes for identifying and assessing climate-related risks. Describe how this is integrated into the organization’s overall risk management. • JGS’ process of identification and assessment of climate-related risks is embedded in our overall Enterprise Risk Management (ERM). • The ERM process involves the following steps: 1) Risk Identification, 2) Risk Assessment, 3) Risk Prioritization, 3) Risk Response, Monitoring, and Evaluation. 2. Describe the organization’s processes for managing climate-related risks. • Our management of climate-related risks which are under our emerging risk category include the following risk treatments:

TCFD Thematic Areas and General Disclosure Guidance	Recommended Disclosures
	◦ Develop Group-wide action plans for identified sustainability and climate change risks in partnership with the SBUs and CCUs ◦ Monitor new legislative proposals and regulatory trends and identify potential effects on operations ◦ Consider the impact of potential sustainability and climate-related regulatory requirements on its plans ◦ Future-proof holdings by setting sustainability and climate-related targets that meet or exceed potential regulatory requirements <i>Please refer to Page 75 for more information on JGS's Enterprise Risk Management Process.</i>
Metrics and Targets General Guidance Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	1. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process. • We monitor how much GHG we are avoiding through our initiatives such as use of solar panels by our Malls, transition to more efficient air- conditioning units, purchase of fuel-efficient airplanes, among others. 2. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. • JGS discloses its Scope 1 and 2 emissions for its five main businesses: URC, RLC, CEB, RBank, and JGSOC. Scope 3 emissions are also disclosed for these businesses where available. • Please see Page 125 for our GHG emissions disclosures.

TCFD Thematic Areas and General Disclosure Guidance	Recommended Disclosures
	3. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets. • CEB will operate with an all-Neo fleet by 2027. • JGS will disclose its sustainability targets in 2022. <i>Please refer to Page 94 for more information on JGS's Sustainability Framework and commitments under each focus area.</i>

Resource Efficiency and Circularity

We operate resource-intensive businesses such as food manufacturing, air transport, and petrochemicals. As such, we continue to find ways of optimizing and streamlining our operations.

20% Savings



in fuel versus current industry best practice

Php 935 Million



investment in process efficiency improvement in select RLC and URC facilities

13.5 Metric Tons



of paper saved through RBank digitalization initiatives

Approach	Activities and Projects	Outcomes	SDG
 Reduce, Reuse, Recycle Water Program	- Reduction of water consumption through fixing leaks, replacing pipes with more durable materials like stainless steel, eliminating production wastage, improving the efficiency of its water treatment facilities, and using rainwater harvesting methods - Reuse of water when cleaning pallets, watering plants and flushing toilets Recycling of water meant for washing critical raw materials used in its products, such as unpeeled potato, as well as for its cooling towers	Saved 11.5 million cubic meters of water from 2018 to 2021 and improved Water Use Ratio (WUR)¹ by 49%	
Establishment of Project JAGUAR (Journey in Achieving Sustainability Goals through Utilities and Assets Renewal)	Invested Php 868 million in improving major plant utility equipment such as boilers, air handling units, and compressors in 14 BCF Philippines plants	Reduction in Energy Use Ratio (EUR)² by 6% versus 2018 baseline energy consumption	
 Execution of fuel-efficiency programs	Implemented continuous descent approach (CDA), alternate route fuel/distance reduction, and fuel landing savings in the last quarter of 2021	At least 20% financial savings due to fuel initiatives in 2021 versus current industry best practice	

¹ Water Use Ratio (WUR) is the measurement of water consumption in relation to total products produced per category, covering all water sources of the company.

² Energy Use Ratio (EUR) is the measurement of energy consumption in relation to total products produced per category, covering all energy sources of the company.

Approach	Activities and Projects	Outcomes	SDG
 Develop, improve, and optimize products that enable our customers to achieve eco-efficiency	• Offer highly differentiated EVALENE® products by changing formulations and structures to suit customer needs • Develop new high-performance products that enable customers to be more eco-efficient	• Developed Bimodal HDPE Film Grade and Medium Part HDPE Blow Molding Grade that allows for the addition of more post-consumer recycled material in carrier bags and reprocessed material in jerrycans and other blow-molded parts • Reduced materials consumption and/or energy per unit manufactured for several product types: ◦ Reduced materials use in the manufacture of general purpose bags, vacuum bags, heavy duty resin bag, pouches, and heavy-duty films ◦ Lower heat seal initiation temperature for Metallocene LLDPE Film Grade ◦ Lower processing temperatures for High Clarity Random Copolymer PP Thin Wall Injection Molding Grade compared to the competition ◦ Less materials used and faster cycle time in the manufacture of housewares and containers by using high-stiffness Nucleated Homopolymer PP Injection Molding Grade	

Approach	Activities and Projects	Outcomes	SDG
 Improving the efficiency of our properties	Invested Php 67 million for more energy-efficient chillers in the malls	- Lower jointing temperatures for thinner PE-RT (Raised Temperature) pipe grades vs PP-R pipes that serve the same application class and design pressure 6 chillers replaced in 4 malls in 2021 and ongoing replacement for other malls: - Actual savings is still under monitoring	
 Reduced paper use through digitization	Roll out of digital platforms, such as the RBank Digital App, that enable branchless and paperless banking	13.5 metric tons of paper saved	

Case Studies: Resource Efficiency and Circularity

URC: Championing Water Conservation

Water is one of the most precious natural resources that we have. It is not only essential to us as a company as it serves as input material in the production of our goods, but it is also a need and a right of every individual to have access to clean water. Recognizing this, we continue to find new ways to conserve and save water in our operations.

Our food manufacturing business, URC, implements its reduce, reuse, and recycle program to optimize water use in its operations. The company reduces its water consumption by fixing leaks, replacing pipes with more durable materials like stainless steel, eliminating production wastage, improving the efficiency of its water treatment facilities, and using rainwater harvesting methods. It reuses water when cleaning pallets, watering plants and flushing toilets. It recycles water meant for washing critical raw materials used in its products, such as unpeeled potato, as well as for its cooling towers.

As a result of these efforts, URC has saved more than 11 million cubic meters of water since 2018, enough to fill 4,600 Olympic-size swimming pools. In 2021 alone, it recycled more than 860,000 cubic meters of water – enough to cover the needs of 2.26 million people for a day.

JGSOC: Efficiency and Circularity in our Product Offerings

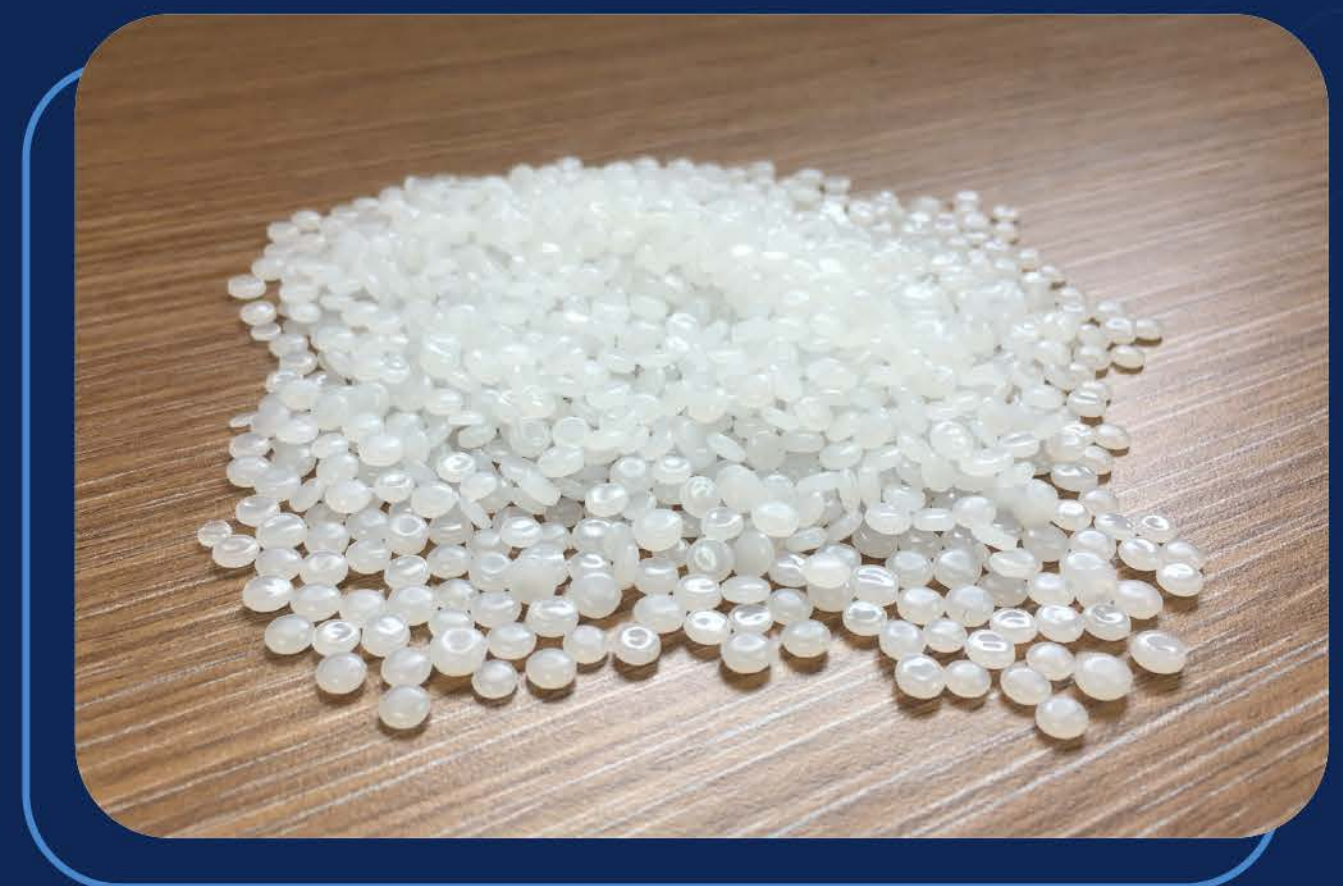
JGSOC takes pride in its continued focus on improving its products and manufacturing efficiency to deliver the best value and increased eco-efficiency to our customers.

We continued to deliver the best value to our customers by improving product formulations and structures and offering highly differentiated EVALENE® products that better suit their needs. We also developed new high-performance products that enable our customers to be more eco-efficient.

For example, we developed Medium Part HDPE Blow Molding Grade that allows for the addition of reprocessed material in jerrycans and other blow-molded parts. We will also be developing Bimodal HDPE Film Grade that enables more post-consumer recycled materials in carrier bags. We will likewise develop Bimodal HDPE Pipe Grade for thinner pipes with lower jointing temperatures at the same application class and design pressure.

Through the use of our Metallocene LLDPE film grades, customers will be able to reduce materials consumption and/or energy used per unit manufactured for several product types. They can optimize through downgauging, or using less material, when replacing typical LLDPE blends for general purpose bags, vacuum bags, heavy-duty resin bags and pouches. Lowering of heat seal initiation temperature for packaging will also be possible with these high-performance grades.

With High Clarity Random Copolymer PP Thin Wall Injection Molding Grade, customers were able to lower processing temperatures. By using high-stiffness Nucleated Homopolymer PP Injection Molding Grade, customers were able to use less materials and had a faster cycle time in the manufacture of housewares and containers.





CEB: Implementing Fuel Efficiency Efforts

Fuel is one of the biggest expenses of CEB and is known for its negative impacts to the environment. Therefore, it has become part of our long-term strategy to create systems that will enable us to fly fuel-efficient aircrafts and carry more passengers and cargo while consuming less fuel.

Aside from purchasing fuel-efficient aircrafts, CEB has also implemented the continuous descent approach (CDA), alternate route fuel and distance reduction, and fuel landing savings in the last quarter of 2021 that all aim to ensure the efficiency of our fuel use.

Employee Growth and Well-being

Maintaining a healthy and encouraging environment for our people has always been our priority. In 2021, we continue to uphold this value and as a result, we have a 96.99% employee retention rate across all the JGS business units.

Php 25 Million



investment in JGS Executive Development Program

1,005



employees with access to
16,000+
courses, content, and live session

95% Vaccinated



workforce including organic employees and third-party workers

16,430



employee consultations through Telehealth services

57



partner hospitals

7,848



total learning hours provided to:
802 Employees
through LinkedIn Learning

Approach	Activities and Projects	Outcomes	SDG
 JGS Executive Development Program Continuous learning through the hybrid work setup	- Invested Php 25 million in developing the program, offering best-in-class learning partners, timely topics, and expertise aligned with both leadership competencies and digital fluency needs - Offered LinkedIn Learning Programs to employees, giving them flexible choices in their development	- Attended by 140 leaders, who are equipped with skills and knowledge on digital transformation, enterprise agility, and decision making 7,848 total learning hours for 802 active learners, who had access to over 16,000 available courses and live sessions	
 Looking after employees' total wellbeing	Launched Do Well (DWELL) – RLC's total wellbeing framework focusing on four dimensions of wellbeing: Physical, Emotional, Social, Mental, and Spiritual	111 registered users in the DWELL dashboard 23 counseling sessions done via the chat helpline Released 45 weekly wellness tips in 2021	
 Asynchronous learning platforms for employees	Launched in 2018, Cebu Pacific University (CEB U) continued to roll out its asynchronous learning initiative amid the pandemic called CEB U on the Go, making available 51 bite-sized and self-paced modules across 13 relevant themes, such as Resiliency, Diversity and Inclusion, Goal-Setting, Wellness, Data-Driven Culture, Agility, Emotional Intelligence, and Coaching	CEB U on the Go was able to reach 52% of Cebu Pacific's employees with 1,316 unique access in 2021	

Approach	Activities and Projects	Outcomes	SDG
 Commitment to employees' well-being and ensuring health and safety in the organization by meeting global standards	- Specialized technical training programs, such as safety and security, cabin crew, and pilot training classes are handled by specific departments - Learning Management System (LMS) e-learning platform which hosts various training programs		
	- Training sessions, gap analysis, consultations, risk assessments, internal audits and management reviews conducted by the Safety, Health, and Environment (SHE) Department - Invested Php 364,600 in the implementation and roll-out of health and wellness Programs for all employees such as Mental Health Literacy, Building Resilience, and Mindfulness and Meditation Programs	- Migration to ISO 45001:2018 to enhance occupational health and safety procedures 732 employees attended	 

Case Studies: Employee Growth and Well-being

JGS: Capacity Building for Business Leaders and Employees

Our employees are the backbone of our company. We ensure that we create an environment for them, where they can grow and flourish as professionals. As such, we invest in training programs that will help them advance their careers with us.

Evolving from our 2020 approach of “Leading Self, Leading Teams, and Leading Organizations, the JGS Executive Development Program 2021 equips our leaders with the skills and mindset they need to drive the company forward and inspire fellow team members. Participants of the program are offered best-in-class learning partners. It also includes modules on leadership competency framework, leaders’ self-awareness, capacity, and leadership effectiveness, understanding enterprise agility and digital business models, and unlocking growth opportunities that comes with preparing the company to succeed. The company invested Php 25 million in developing the program in the training, which was attended by 140 leaders in 2021. Aside from the Executive Development Program, we also held “Conversations with the JGS Leaders”, where leaders from across the group talked about the values that the company espouses: Entrepreneurial Mindset, Integrity and Stewardship.

In addition, JGS also encourages continuous learning for all employees by offering them access to LinkedIn Learning Programs. Employees are allowed flexible choices of programs for their own professional and personal development. In 2021, 1,005 employees were given access to more than 16,000 courses, content, and live sessions.

Overall, JGS employees gained an average of 20.91 training hours for the year from these initiatives.

CEB: Encouraging Continuous Learning for Employees

Our airline business showcases its commitment to nurturing the personal and professional development of its employees through its own employee programs. The training programs provided to employees are customized and aligned to emerging skills and are anchored to the goals of the organization while incorporating CEB’s culture and values.

Cebu Pacific People Department oversees basic courses, people engagement training programs, and management and leadership programs. One of CEB’s platforms is the Learning Management System (LMS), which hosts various e-learning and training modules. The company’s other learning platform is known as the Cebu Pacific University (CEB U), which was launched in 2018. CEB U is envisioned to host all continuous learning opportunities for employees across all levels in the organization. CEB U partners with schools, consulting firms, and other industry experts to deliver the learning programs.

In response to the restrictions due to the pandemic, CEB continued to roll out its asynchronous learning initiative called CEB U on the Go, making available 51 bite-sized and self-paced modules across 13 relevant themes, such as Resiliency, Diversity and Inclusion, Goal Setting, Wellness, Data-Driven Culture, Agility, Emotional Intelligence, and Coaching. In 2021, CEB U on the Go was able to reach 52% of Cebu Pacific’s employees with 1,316 unique access during the year. Specialized technical training programs, such as safety and security, cabin crew, and pilot training classes are handled by specific departments.



Goal Setting

Get tips on tracking your goals and owning your development.

TAKE COURSE



Defining and Achieving Professional Goals

Learn how to define, set, and achieve your goals.

PLAY VIDEO

Mental Health Literacy 2021



JGSOC: Upgrading our Health and Safety Protocols and Valuing Employees' Well-Being

JGSOC reaffirmed its commitment to providing a safe working environment with the implementation of numerous occupational health, safety, and wellness programs for its employees.

The company successfully upgraded to the latest global health and safety standards as it successfully migrated to the ISO 45001:2018 Occupational Health and Safety Management System. This means that JGSOC's procedures properly incorporate health and safety aspects into the overall management system and culture of the company. In addition, the top management has a stronger and more proactive role in its implementation. The migration, which took more than a year, included training sessions, gap analysis, consultations, risk assessments, internal audits, and management reviews.

JGSOC also offered online programs to take care of employees' mental health, such as mental health literacy webinars, a mindfulness program, meditation program, and Building Resilience training series. Offering our employees a safe and pleasant workplace, as well as providing our host communities with the peace of mind that comes from having a safely operating plant in their neighborhoods are integral to JGSOC's management policy.

Shared Success

We ensure the equitable flow of economic value to our key stakeholders. Our Economic Value Distributed to employees, suppliers, government, providers of capital, and communities amounted to Php 235.82 billion in 2021.

133.8 Tons



of Granola potato
seeds donated

**700+ Farmer
Beneficiaries**



in the Cordillera Administrative
Region, Bukidnon, and Davao
del Sur

**1,980 New
RBank Accounts**



opened through
Premiumbikes stores