

# ReimAGline the Future

20  
22

ANNUAL AND  
SUSTAINABILITY  
REPORT







# Table of Contents

|           |   |
|-----------|---|
| <b>2</b>  | <b>About the Cover and Title</b>                              |
| <b>2</b>  | <b>Reporting Frameworks</b>                                   |
| <b>3</b>  | <b>About the Company</b>                                      |
| <b>6</b>  | <b>Global Presence and Local Reach</b>                        |
| <b>8</b>  | <b>2022 At-A-Glance</b>                                       |
| <b>10</b> | <b>Chairman's Message</b>                                     |
| <b>12</b> | <b>Message from the CEO</b>                                   |
| <b>15</b> | <b>Board of Directors</b>                                     |
| <b>16</b> | <b>Awards</b>   |
| <b>18</b> | <b>Stakeholder Concerns and Engagement</b>                    |
| <b>22</b> | <b>Materiality: Process and Topics</b>                        |
| <b>24</b> | <b>Sustainability at AGI: Growing Responsively</b>            |
| <b>35</b> | <b>2022 Financial and Operational Highlights</b>              |
| <b>41</b> | <b>Procurement Practices</b>                                  |
| <b>43</b> | <b>Employee Experience, Diversity, and Inclusion (People)</b> |
| <b>48</b> | <b>Employee Training and Education</b>                        |
| <b>50</b> | <b>Workforce Health and Safety</b>                            |
| <b>55</b> | <b>Community and Consumers</b>                                |
| <b>56</b> | <b>Community Impacts</b>                                      |
| <b>58</b> | <b>Environmental Performance</b>                              |
| <b>71</b> | <b>Business Ethics, Values, and Corporate Governance</b>      |
| <b>74</b> | <b>Profile of Board of Directors</b>                          |
| <b>80</b> | <b>Enterprise Risk Management System</b>                      |
| <b>82</b> | <b>Financial Statements</b>                                   |
| <b>84</b> | <b>GRI Index</b>  |
| <b>94</b> | <b>Annex</b>  |



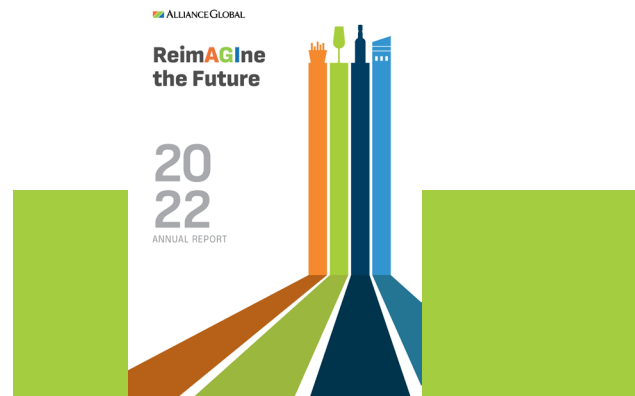


# About the Report

## About the Cover and Title

This 2022, AGI went above and beyond, not only recovering from the effects of Covid-19 but transcending pre-pandemic achievements as well. AGI continues to grow as a conglomerate driven by the synergy of its subsidiaries, building a better nation, and community with each success.

**ReimAGIne the Future** captures AGI's dynamic and collective energy in ushering progress. Each business under the Company pushes forth innovations in real estate, tourism, spirits, quick service restaurants and infrastructure, designing a future full of growth and vibrance.



## Reporting Frameworks

The AGI Annual Sustainability Report 2022 follows the Global Reporting Initiative (GRI) Sustainability Reporting Standards and the SEC Sustainability Reporting Guidelines for Publicly-Listed Companies.

Reporting of material topics are arranged according to the following:

- Employee Experience, Diversity, and Inclusion (PEOPLE)
- Waste and Resource Efficiency (EFFICIENCY)
- Sustainable Business and Innovation (SUSTAINABILITY)
- Economic Growth (GROWTH)
- Business Ethics, Values, and Corporate Governance (GOVERNANCE)

## Period Covered

2-3

January 1, 2022 to December 31, 2022

## Reporting Cycle

Annual

## Coverage of most recent report

January 2021-December 2021. Please view the report [here](#).

## Contact

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## Location of Headquarters

2-1

### Alliance Global Group, Inc.

7/F 1880 Eastwood Avenue, Eastwood City CyberPark,  
Bagumbayan, Quezon City

## Sustainability Consulting, Editorial, and Design by

DRINK SUSTAINABILITY COMMUNICATIONS

[www.drinkph.com](http://www.drinkph.com)



# About the Company

## A WORLD-CLASS FILIPINO CONGLOMERATE

2-1  
2-6

Alliance Global Group, Inc. (AGI) stands as a leading conglomerate in the Philippines, renowned for its vast array of businesses. AGI is a dynamic corporation that consistently strives to transcend limits, driving innovation across its diverse sectors to provide exceptional products and services to both domestic and global clients.

Incorporated on October 12, 1993, AGI began its commercial operations as a glass container manufacturer in 1994. After its listing on the Philippine Stock Exchange (PSE) in 1999, it obtained approval from the Philippine Securities and Exchange Commission (SEC) to broaden its primary business and become a holding company.

AGI then began developing a diverse group of businesses, primarily in the real estate and consumer sectors. AGI engages in property development, food, and beverage manufacturing and distribution, quick-service restaurants, integrated tourism development, and infrastructure development through its different subsidiaries.



## OUR VISION AND MISSION



We are priming ourselves for international competitiveness in the new century by consistently delivering products and services that meet the quality standards of markets both here and abroad. Through continuing research and innovation, we will enhance the company's ability to gain customer satisfaction and goodwill and build on our market franchise.

As a world-class Filipino conglomerate, we will be an active partner in national economic development by pursuing excellence in our core businesses and investing in industries that offer more room for profitability and growth. We will enhance our competitiveness in an ever-expanding marketplace through export development and competitive pricing. As a matter of policy, we will always adapt to the dynamics of the market.

We will constantly strive to enhance shareholder value by making our products and services desirable, accessible, and affordable to the target consumers in the Philippines and abroad. Through a continuing reward program, our stockholders will be entitled to an immediate share of the company's gains in the form of stock or cash dividends.



## Subsidiaries

### REAL ESTATE



#### Megaworld Corporation (MEG)

The leading township developer in the Philippines, with a diverse portfolio of residential projects, office spaces, commercial leases, and hotels. Its township development provides its residents, office, and commercial tenants the “Live, Work, Play” concept expressing a wonderful mix of lifestyle dynamics.

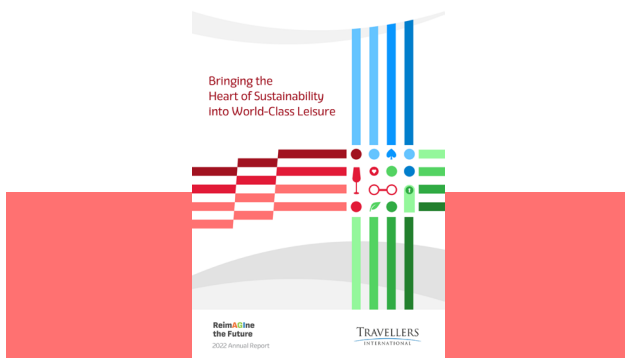
### SPIRITS



#### Emperor Inc. (EMI)

The Philippines’ biggest liquor company and the world’s largest brandy manufacturer. EMI, through wholly-owned Whyte and Mackay, is also the fifth largest Scotch whisky producer in the world. It has operations in the Philippines, Scotland, Spain, and Mexico. Its local and acquired global brands of whisky and other alcoholic beverages are currently available in over 100 countries worldwide.

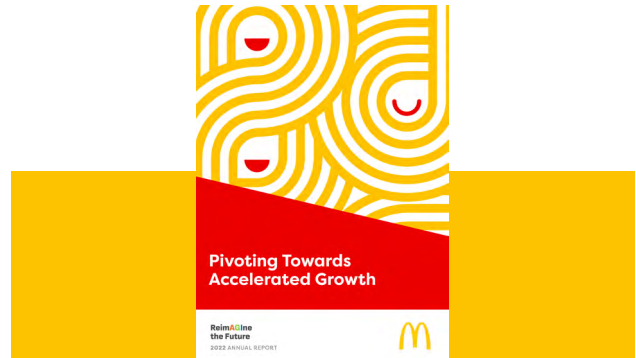
### INTEGRATED TOURISM



#### Travellers International Hotel Group, Inc. (TIHGI)

The owner and operator of Newport World Resorts (NWR), the first integrated tourism resort in the Philippines that combines gaming facilities with hotel, retail, dining, entertainment, MICE (meeting, incentive, conference, and exhibition), and other leisure amenities.

### QUICK-SERVICE RESTAURANT



#### Golden Arches Development Corporation (GADC)

A strategic partnership between Alliance Global Group, Inc. (AGI) and George Yang, which holds the master franchise to operate the ‘McDonald’s’ brand in the Philippines. It has successfully made the international brand one of the country’s top quick-service restaurants among Filipinos for four decades. It began its digital transformation journey in 2016 in its bid to elevate customers’ experience across all touchpoints, grounded on its fundamentals of quality, service, convenience, and value.

### INFRASTRUCTURE

**INFRACORP**  
AN ALLIANCE GLOBAL COMPANY

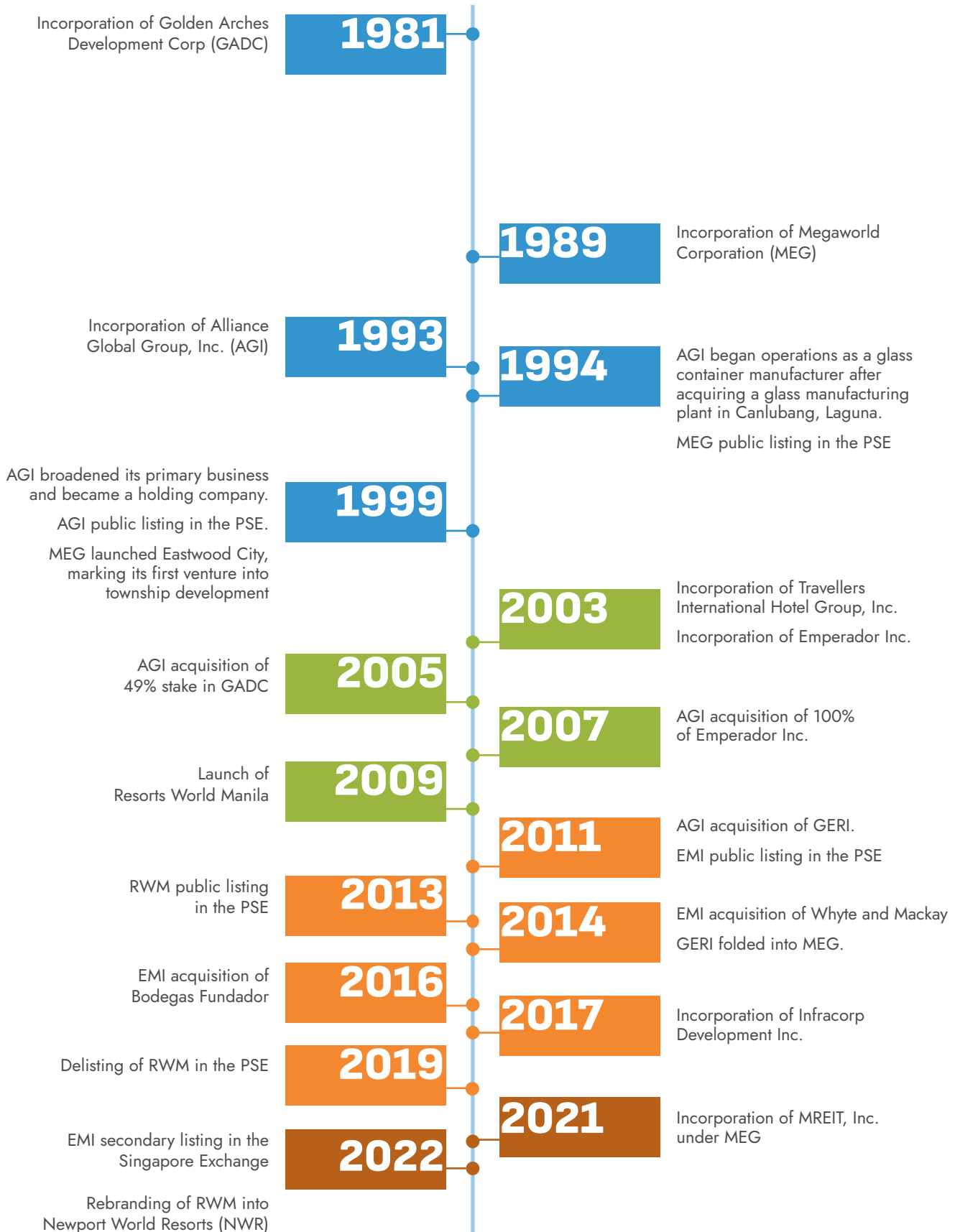
#### Infracorp Development, Inc.

The Group’s foray into infrastructure development, with plans to provide transport solutions that will improve the connectivity of all our properties and enhance the value of our real estate and tourism developments.



# History and Ownership

2-2





# Global Presence and Local Reach



**Manufacturing and bottling operations abroad**

**100+**  
countries

Under the Global Distribution Network of Emperor Inc.

**60+**  
countries

Megaworld International offices





AGI's primary operations are in the Philippines, headquartered in Eastwood City CyberPark, Quezon City. Through acquired global brands under Emperador, AGI has manufacturing and bottling operations in Scotland (United Kingdom), Spain, and Mexico, as well as a worldwide distribution network in over 100 countries. Megaworld International, the global marketing arm of Megaworld, extends AGI's presence to 60 countries.





# 2022 At-A-Glance

## Emperador

## Inc.



# 6

Vineyard estates in Spain

# 5

Distilleries in Scotland



# >100

Countries under global distribution system



# 25

Sales offices in the Philippines

## Megaworld

# 30

Townships and Integrated Lifestyle Communities



# 4,713

Hotel room keys

# 5,000

Landbank (has)

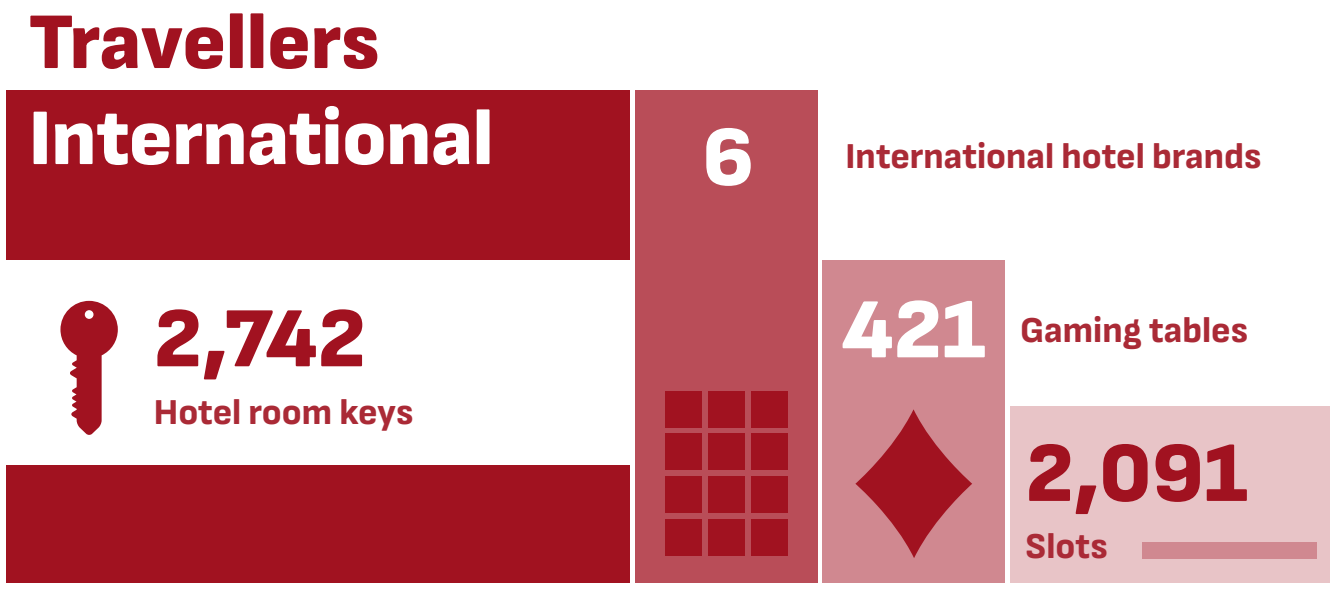


# 1,405

Offices GLA ('000 sqm)

# 484

Lifestyle malls GLA ('000 sqm)



## Workforce

2-7



|        | 2021   | 2022   |
|--------|--------|--------|
| Male   | 20,297 | 25,616 |
| Female | 19,499 | 21,877 |



# Message from the Chairman

2-22

## Dear Stakeholders,

The year 2022 was a period of extraordinary achievements for your company as Alliance Global Group, Inc. (AGI) further solidified its strong position among the country's fastest-growing conglomerates with its diversified portfolio spanning real estate, tourism, gaming, spirits and quick service restaurants. Supported by much-improved mobility with the continued reopening of the economy during the year, AGI successfully recorded sharp increases in performance across all its business segments, most of which even exceeded pre-pandemic levels.

AGI ended 2022 with consolidated revenues of PHP 183.6 billion, surpassing the 2019 level of PHP 180.0 billion. Income before minority interest grew by 6% year on year to PHP 25.2 billion, while attributable net profit stood at PHP 16.1 billion. This was achieved as the Group demonstrated agility in adapting to fast-changing market trends, creativity in coming up with exciting marketing strategies across all our business segments, and strong determination to pursue our goals. We have also continuously improved our project execution, as well as the delivery of our products and



services, aided by our ongoing digital transformation, which paved the way for enhanced client engagement and more streamlined processes and reporting.

This adaptability was demonstrated most by Megaworld, which continued to be proactive in meeting its customers' needs, successfully leading to several new accounts and potential markets opening up. This is especially true for its Megaworld Premier Offices, which remains the country's biggest office landlord, recording average occupancy that is above industry experience. Megaworld Lifestyle Malls and Megaworld Hotels also recovered sharply during the year, supported by their aggressive and creative marketing strategies. Not to be outdone, Megaworld's residential segment exceeded its targets for the year, recording P119 billion in reservation sales while launching P45 billion worth of projects.

Megaworld also proudly launched two new townships during the year—the 340-hectare integrated lifestyle community Sherwood Hills, located in Trece Martires in Cavite, and the 3-hectare Winford Resorts in Manila. These launches brought to 30 its total number of townships throughout the country covering over 5,100 hectares of land, and should help sustain its development projects moving forward.

Emperador made history as the first listed company under the Philippine Stock Exchange, Inc. to have a dual listing on the Singapore Exchange Securities Trading Limited (SGX-ST). It is also the first Philippine company to be a constituent in the Straits Times Index (STI), the benchmark index of the SGX.

During the year, Emperador's brandy and whisky business segments posted record sales as they continued to perform strongly across all markets. Emperador, which is present in over 100 countries all over the world, is intensifying its global reach, particularly in Asia and North America, to serve the growing spirits demand with its diversified portfolio in the years ahead.

Travellers International, with a vibrant vision of making Newport World Resorts a cutting-edge integrated casino, hotel, and entertainment complex in the country, achieved record gross revenues and an eight-year high in EBITDA in 2022. Its remarkable performance was boosted by the continued improvement in gross gaming revenues and the recovery in non-gaming revenues.

It honed in on the opportunity of the surging demand for staycations and meetings, incentives, conferences and exhibitions (MICE) activities, which boosted its hotel occupancy rates and revenues. Travellers aims to grow its casino business further by expanding its premium mass segment, sustaining the growth in VIP business, and improving foot traffic at the Newport World Resorts Complex.

Golden Arches experienced remarkable growth in systemwide sales, expanding its market presence and solidifying its position as a market leader in the Philippines with 704 stores nationwide. The company also showcased its commitment to innovation resulting in the launch of new, innovative offerings that met its target audience's evolving needs and preferences.

Being a premium-lifestyle conglomerate also means being a leader in sustainability. AGI continued to focus on people, the planet, and prosperity in delivering its sustainability goals. With our approach towards environmental responsibility, people transformation, impactful growth, and good governance, we support all 17 United Nations Sustainable Development Goals. AGI aims to build communities and spaces that enable people to live full lives today and in the future. With our holistic approach to growing our businesses and respecting the environment, we are geared towards a future full of hope, optimism, and success.

The growth and success of AGI would not be possible without our stakeholders' continuing trust and support. We are committed to remaining dynamic and progressive in the face of change, making premium products, services, and experiences accessible to a wide audience, and moving forward with the strength and vision that will transform every challenge into an opportunity in the years to come.

### **Dr. Andrew L. Tan**

Chairman of the Board, Alliance Global Group, Inc.

**Being a premium-lifestyle conglomerate also means being a leader in sustainability.**



# Message from the CEO

## A leap towards a reimagined future

The year 2022 is a leap toward the steady recovery and re-opening of the Philippine economy after the Covid-19 pandemic disrupted lives and businesses globally. But while operations are returning to normal, the business environment remains challenging amid a weaker world economy faced with inflationary pressures, disruptions in the global supply chain and threats of a recession.

Against this backdrop, AGI experienced record-level revenues of PHP 183.6 billion in 2022, reflecting a 20% growth from the previous year's PHP 152.8 billion. Our 2022 improvements were brought on by the growth spike in liquor and real estate sales, as well as the significant recovery of leisure and entertainment business and quick-service restaurants. Attributable net income stood at PHP 16.1 billion.



It was during this time that AGI was able to innovate the most to adapt: we expanded our township developments and project launches, intensified our liquor distribution, and revolutionized our digital platforms. Our innovations from the past two years prepared us towards another era of further expansion and exciting opportunities. We are reaping what we sowed during those turbulent times as our innovations paved the way for us to reimagine the future.

Megaworld launched a total of 20 projects in 2022 collectively valued at P45 billion, and generated reservation sales worth P119 billion as it focused on initiatives to improve customer experience under its own service brand: the M.E.G.A. DNA. Meanwhile, Megaworld Hotels and Resorts opened its 13th property during the year: Belmont Hotel Mactan. Its opening reinforced Megaworld's position as the country's leading hotel developer with homegrown brands, which created more opportunities for growth for the company and provided employment and better livelihood for the community.

Travellers International launched Newport World Resorts in 2022, a reinvention (from Resorts World Manila previously) that reflects a shift to one of the most innovative and dynamic integrated casino, hotel, and entertainment complexes in the country. The property now hosts the biggest concentration of premier hotels in one area, offering a total of 3,900 room keys from five world-renowned international hotels (Marriott, Holiday Inn Express, Sheraton, Hilton and Okura) and two home-grown Megaworld Hotels (Belmont and Savoy), plus the Marriott Grand Ballroom, the biggest venue for the country's meetings, incentives, conferences and exhibitions (MICE) operations.

**Our innovations from the past two years prepared us towards another era of further expansion and exciting opportunities.**

Emperor hit a historic record in revenues, driven by the consistent outperformance of its world-renowned whiskies and the steady growth in its market-leading brandies. Emperor's various products remained high in market rankings in various countries. Its whisky brands The Dalmore, Jura and Tamnavulin under Whyte and Mackay are among the Top 20 single malts in the global market, while Jura and Tamnavulin are also no. 1 and no. 4 Single Malt by Volume and Value, respectively, in the United Kingdom. For its brandy business: Emperor Brandy remains no. 1 brandy by volume in the Philippines and the world; Fundador is the no. 1 brandy de Jerez company; Terry is no. 1 brandy in Spain; and Presidente is no. 1 brandy in Mexico.

Golden Arches also broke a new record level in systemwide sales which amounted to P61.1 billion as same store sales grew by 31%. This was driven by its commitment to provide value for money offers and elevate the omnichannel customer experience with its NXTGEN stores, in addition to increased mobility and consumer spending. During the year, McDonald's added 45 new stores to its previous count, bringing the total to 704 stores nationwide. It targets to launch 50 stores in the next year.



## Surging past pandemic growth

In 2022, Megaworld reported consolidated revenues of PHP 59.5 billion, an increase of 17% year on year, while attributable net income amounted to P13.5 billion. Megaworld attributes its good performance during the year to stronger real estate sales as it accelerated project completion, while office revenues already exceeded pre-pandemic levels with occupancy at 92% which is higher than industry experience, helped by a 9% increase in new leases. Mall revenues have recovered strongly as the occupancy rate reached 90% with increased footfall in the malls, while rent structure improved. Meanwhile, hotel revenues saw significant growth with higher occupancy, supported by increased staycations and MICE activities.

Emperador chalked up record-level revenues of PHP 62.8 billion, rising by 12% year on year. This was driven by the 18% growth in whisky revenues to PHP 22.1 billion, accounting for 35% of total, buoyed by the continuing popularity of its single malt brands. Meanwhile, brandy revenues achieved a 9% growth to PHP 40.7 billion as its brands remained strong in all markets, particularly in the Philippines, Spain, Mexico and now North America. Attributable profit was stable at P10.1 billion.

Travellers also attained record-breaking performance during the year as gross revenues grew by 90% year on year to PHP 37.1 billion. Gross gaming revenues (GGR) reached an unprecedented level of P31.8 billion, amid the sustained strong growth in its VIP business, where it took the market leadership position, while its mass GGR doubled. Meanwhile, its non-gaming revenues recovered strongly from pre-pandemic levels at P5.3 billion. EBITDA also reached P7.6 billion, reflecting an eight-year high in the company's 13-year history.

Golden Arches' sales revenues soared to PHP 34.4 billion, another record-level performance, boosted by increasing discretionary spending, the resurgence of dine-in consumption, continued improvement in drive-thru and delivery services, the launch of value-driven initiatives, and successful promotional campaigns. Despite various cost pressures, the company reported an attributable profit of P1.8 billion, already hitting close to pre-pandemic levels.

## A testament to strength

AGI managed to post a steady growth across all business segments even amid local and global challenges and uncertainties, a testament to the soundness and effectiveness of our strategies, our employees' drive to reach milestones, and the strong confidence of our customers and consumers in the AGI brand and its premium services. We hope to achieve more in the next year even as we set lofty targets for 2023.

As we go towards our vision, we remain committed to expanding with care and consideration to our communities and the environment through AGI's SustainAGility framework. Here we make sure that our developments sustain people and the economy and that our projects are resource-efficient by employing green building solutions, including open spaces, promoting active mobility and transport-oriented developments, and using sustainable packaging.

Let us re-imAGIne the future now to continue sustaining and building communities.

Thank you very much.

## Kevin Andrew L. Tan

Chief Executive Officer and Vice Chairman

As we go towards our vision, we remain committed to expanding with care and consideration to our communities and the environment through AGI's SustainAGility framework.







# Board of Directors

2-9



**DR. ANDREW L. TAN**  
Chairman of the Board



**KEVIN ANDREW L. TAN**  
Chief Executive Officer



**KINGSON U. SIAN**  
President



**KATHERINE L. TAN**  
Treasurer



**DR. JESLI A. LAPUS**  
Independent Director



**ENRIQUE M. SORIANO III**  
Independent Director



**ANTHONY T. ROBLES**  
Independent Director

# Key Officers



**DINA D.R. INTING**  
Chief Financial Officer



**ALAN B. QUINTANA**  
Corporate Secretary





# Awards

## Megaworld

### Gold Quill Awards 2022

- **Excellence** Mega Summer Ventures Version 2.0

### Silver Quill Awards 2022

- **Excellence** Mega Summer Ventures Version 2.0

### International Business Awards (Stevie Awards)

- **Excellence** Mega Summer Ventures Version 2.0
- **Gold** The Visionary, The Philanthropist
- **Gold** Leadership with a Heart
- **Silver** Connect2Connect: Nurturing Megaworld Scholars through Digital Transformation in the New Normal
- **Winner** People's Choice Award – Nonprofit or Government category

### Golden World Awards

- **Winner** The Visionary, The Philanthropist

### International CSR Excellence Award

- **Gold** Green Thumbs-up!: Megaworld Foundation E-Planting Activity
- **Gold** The Visionary, The Philanthropist
- **Silver** Connect2Connect: Nurturing Megaworld Scholars through Digital Transformation in the New Normal

### Asia Pacific Stevie Awards

- **Gold** The Visionary, The Philanthropist
- **Gold** Mega BER-kadahan Learning Sessions

### Global CSR Summit and Awards

- **Platinum** Connect2Connect: Nurturing Megaworld Scholars through Digital Transformation in the New Normal

### dotCOMM Awards

- **Platinum** Megaworld Foundation @ 25
- **Platinum** Mega Summer Ventures Version 2.0
- **Gold** Mega Summer Ventures Version 2.0
- **Gold** Mega BER-kadahan Learning Sessions

### MarCom Awards

- **Platinum** Megaworld Foundation @ 25
- **Platinum** Megaworld Foundation @ 25 virtual book launch
- **Gold** Mega BER-kadahan Learning Sessions

### Social Impact Awards

- **Honorable Mention** Mega Scholarship in the New Normal
- **Honorable Mention** Rice Together: Megaworld Foundation Community Pantry

### PRNews' Nonprofit Awards

- **Winner** The Visionary, The Philanthropist
- **Honorable Mention** Mega Summer Ventures Version 2.0

### Communitas Awards

- **Winner** The Visionary, The Philanthropist

### CSR and Diversity Awards

- **Honorable Mention** Green Thumbs-up!: Megaworld Foundation E-Planting Activity
- **Honorable Mention** Connect2Connect: Nurturing Megaworld Scholars through Digital Transformation in the New Normal
- **Honorable Mention** Rice Together: Megaworld Foundation Community Pantry

### Nonprofit Communications Awards

- **Winner** The Visionary, The Philanthropist
- **Honorable Mention** Mega Summer Ventures Version 2.0

### Platinum Awards

- **Honorable Mention** Mega BER-kadahan Learning Sessions

### Philippine Quill Awards

- **Excellence** Mega Summer Ventures Version 2.0
- **Excellence** Rice Together: Megaworld Foundation Community Pantry
- **Merit** The Visionary, The Philanthropist
- **Merit** Connect2Connect: Nurturing Megaworld Scholars through Digital Transformation in the New Normal
- **Merit** Green Thumbs-up!: Megaworld Foundation E-Planting Activity

### Philippine Quill Awards

- **Silver** The Visionary, The Philanthropist Virtual Book Launch
- **Silver** Connect2Connect: Nurturing Megaworld Scholars through Digital Transformation in the New Normal
- **Silver** Connect2Connect: Nurturing Megaworld Scholars through Digital Transformation in the New Normal
- **Silver** Mega Summer Ventures Version 2.0
- **Silver** Mega Summer Ventures Version 2.0
- **Silver** If There's a Wheel, There's a Way

### Asia CEO Awards

- **Circle of Excellence Awardee** Megaworld Foundation @ 25: A Silver Lining for Many Filipinos



# Emperador Inc.

## Whyte and McKay

- **Travel Retail Awards – 2022 winner** voted by shoppers
- **Drinks International Travel Retail Awards 2022 – Supreme Champion**
- **TR Business Best Spirits Product & Best Overall Product** for Jura Islander's Expressions
- **World Whisky Award** for Grain Whisky, 21 years and older, for Invergordon Grain
- **Master Blender of the Year**, which was won by our very own Master Whisky Maker Gregg Glass
- **Spirits Business Award for Innovation**
- **Liqueur Trophy** for Glayva
- **Gold/Gold Outstanding awards** for Tamnavulin
- **Gold (ISC) / Gold Outstanding (IWSC)** for Woodsman
- **TR Business Best Spirits Product & Best Overall Product** for Jura Islanders' Expressions
- **The Spirits Business Award for Innovation in Production** for the Scottish Oak Programme
- **Grow Scotland, Sustainable Use of Raw Materials award** at the Footprint Drinks Sustainability Awards

## Food and Drug Administration

- **Certificate** of Good Manufacturing Practice

## Bodegas Fundador

Gold and Double Gold Medals for the following:

- **International Spirit Challenge**
- **San Francisco Spirit Competition**
- **China Wine & Spirit Awards**
- **China Wine & Spirit Awards Best Value**
- **International Wine Spirit Competition**
- **International Wine Challenge**
- **Decanter**

## Aspy Prevención, S.L.U.

- **First Prize** for best prevention practices in Spain

# Travellers

## 57th Anvil Awards

- **Gold Anvil Award – Public Relations Program Directed at Specific Stakeholders – Employees** for Resorts World Manila's (RWM) UnaBakuna Vaccination Campaign for Thrillmakers

## 19th Philippine Quill Awards

- **Award of Merit Division 1: Communication Management, Category 1: Internal Communication** for COVIDCOMMS 2021: UNABAKUNA Vaccination Campaign for Thrillmakers

## 2022 Asia-Pacific Stevie® Awards

- **Bronze Stevie Award – P03. Award for Innovation in Consumer Products & Services** for Resorts World Manila's (RWM) Vubble pods pop up in Metro Manila's dining scene
- **Bronze Stevie Award – K11. Most Valuable Corporate Response** for Resorts World Manila's (RWM) #UNABAKUNA (#VaccineFirst)

## Hotel Sales and Marketing Association (HSMA) 8th Virtus Awards

- **Outstanding Marketing Campaign** for ILoveEarth Sustainability Program

## Human Resources Excellence Awards 2022

- **Most People-Focused CEO** for Newport World Resorts CEO Kingson Sian
- **Bronze Award, Excellence in HR Communication Strategy** for Newport World Resorts Employee Events & ThrillmakersTV

# Golden Arches

## Philippine Daily Inquirer in partnership with Statista

- **The Philippines' Best Employers 2023**

## Spikes Asia Awards

- **PR Lotus – Resilience Through Creativity – Bronze Award** for McClassroom 2.0 Campaign
- **Outdoor – Ambient: Resilience Through Creativity – Bronze** for McClassroom 2.0 Campaign

## APAC Tambuli Awards

- **Brand Purpose – Responsible Citizenship / Humanity and Culture – Bronze** for Voter Registration Countdown Campaign
- **Brand Purpose – Brand Experience & Activation / Media – Bronze** for McDonald's Ride-Thru Light Show

## Effie APAC Awards

- **Brand of the Year – 3rd Place** (McDonald's Philippines)
- **Restaurant Category – Gold** for McClassroom 2.0 Campaign
- **Experiential Marketing / Crisis Response Category – Silver** for McClassroom 2.0 Campaign

## McDonald's Feel-Good Marketing Awards

- **Brand Purpose Category – Gold Award** for McClassroom Campaign
- **Ease and Convenience – Bronze** for Ride-Thru Light Show



# Stakeholder Concerns and Engagement

2-26  
2-29

Pandemic-related concerns such as compliance with stricter and/or changing health protocols still affected the stakeholders this 2022. However, since this issue has been ongoing for the last two years, responses were already in place.

For customers and clients, issues related to payments, increased prices and utility costs, construction delays, and resolution of concerns were listed. These were resolved through the digitization of processes for efficiency and error minimization, the introduction of payment plans, better communication channels for the resolution of client concerns, and the installation of energy-saving fixtures to reduce energy consumption.

The main concerns for business partners are accreditation and ensuring that payments are on time. Issues were resolved through a transparent accreditation process and schedule of payments.

Employees raised human resources issues, work-from-home, and safety concerns. As staffing is a main concern under human resources, a job caravan was held that ensured immediate hiring. Additionally, new equipment and internet allowance were given to those working from home. For safety concerns regarding COVID-19 transmission, a vaccination drive was conducted. Health protocols in the workplace are also still being implemented.

Community-related issues included documentary delays, different COVID-19 protocols, and insufficient funding. These were resolved through maintaining a transparent relationship, constant communication with partners and volunteers, and full compliance with different health protocols.

To reach out to investors, AGI held regular business updates through annual stockholders meetings, briefings, and conferences.



| Customers            |  |
|----------------------|--|
| Stakeholder Concerns | <ul style="list-style-type: none"> <li>• Payment concerns</li> <li>• Lack of access of agents/ clients to real-time inventory and reservation</li> <li>• Limited inventory of projects/ units for sale – prolonging the negotiation/ closing of the sale, which sometimes results in back-out.</li> <li>• BIR closure order vs Megaworld (May 2022)</li> <li>• Delays in the construction of some projects</li> <li>• Sanitation standards of hotels</li> <li>• Limited inventory</li> <li>• Immediate acknowledgment and resolution of concerns</li> <li>• Improvement in overall Customer Experience</li> <li>• Work-from-home and hybrid setup – PEZA extensions.</li> </ul>  |
| Engagement Channels  | <ul style="list-style-type: none"> <li>• Customer Feedback Surveys, Meetings, Social Media Posting</li> </ul>  |
| Company Response     | <ul style="list-style-type: none"> <li>• Creation of Action Hour to discuss daily client transactions and concerns</li> <li>• Facilitation of Customer Experience Roadshow in partnership with HR to institutionalize MEG's new brand of service by applying the MEGA DNA</li> <li>• Social media postings that will UPLIFT the image of the company.</li> <li>• Trainings done by TBD highlighting the advantages of the location and social media postings.</li> <li>• Upgraded sanitation and safety procedures.</li> <li>• Launched the Safe Stay program.</li> <li>• Exploration of joint-venture partnerships with landowners.</li> <li>• Flexibility in commercial terms and addressed some of the major facility concerns.</li> <li>• Continuous evaluation of best prices without compromising expected services</li> <li>• Payment plans. Negotiations with new suppliers in order to diversify and avoid having limited options.</li> </ul> |

| Business Partners (contractors, vendors, suppliers) |   |
|---|---|
| Stakeholder Concerns                                | <ul style="list-style-type: none"> <li>• Ensuring that payments are on time.</li> <li>• Compliance with stricter policies and protocols due to the COVID-19 pandemic.</li> <li>• Accreditation process</li> </ul>   |
| Engagement Channels                                 | <ul style="list-style-type: none"> <li>• Emails, meetings, calls, SMS</li> <li>• Messaging apps such as Viber, Telegram, etc.</li> </ul>  |
| Company Response                                    | <ul style="list-style-type: none"> <li>• Maintaining payment plans for contractors</li> <li>• Scheduling of payments.</li> <li>• Despite the drop in COVID cases, enforcement of safety and health initiatives for contractors and all employees, such as entry protocols, physical distancing, promoting hygienic practices, health habits, wearing of face masks, etc.</li> <li>• Transparent accreditation process</li> <li>• Systematic online bidding</li> </ul> |



| Employees            |  |
|----------------------|--|
| Stakeholder Concerns | <p><b>Human Resources</b></p> <ul style="list-style-type: none"> <li>• Employee turnover</li> <li>• Staffing</li> <li>• Employee Engagement/Activities</li> <li>• Salaries and benefits</li> <li>• Training &amp; advancement</li> <li>• Digitalization Program</li> <li>• Recognition</li> </ul> <p><b>Work-from-Home concerns</b></p> <ul style="list-style-type: none"> <li>• Emerging requirement of work-from-home (WFH) set up</li> <li>• Tools of the trade and representation</li> </ul> <p><b>Safety</b></p> <ul style="list-style-type: none"> <li>• Job security and health protection during the COVID-19 pandemic</li> <li>• Occupational health and safety: Pandemic Flu: COVID-19 threat</li> <li>• Occupational Health and safety: Classification of Employees for COVID-19</li> <li>• Health, wellness and safety</li> </ul>  |
| Engagement Channels  | <ul style="list-style-type: none"> <li>• Personal encounter, email, online meetings, phone calls, social media, email, signages</li> <li>• Implementation of protocols on-site</li> </ul>  |
| Company Response     | <p><b>Human Resources</b></p> <ul style="list-style-type: none"> <li>• Coordination with HR to ensure immediate hiring to augment manpower</li> <li>• Job Recruitment Caravan</li> <li>• Partnered with institutions and providers to have readily available personnel.</li> <li>• Kamustahan sessions</li> <li>• Online and face-to-face engagement activities</li> <li>• Continuous review of the existing structure against standards</li> <li>• Engagement surveys</li> <li>• Learning sessions</li> <li>• Recognition programs</li> <li>• Programs to support overall well-being (mental, physical, etc.)</li> <li>• Circle of Happiness programs; Online engagements</li> <li>• Providing tutorials, training, and regular meeting</li> </ul> <p><b>Work-from-Home concerns</b></p> <ul style="list-style-type: none"> <li>• Provision of new equipment to cater to more online / virtual communication and meetings</li> <li>• Providing work laptops and internet allowance.</li> <li>• Separation of work shifts</li> <li>• Implementation of the flexible working day policy.</li> </ul> <p><b>Safety</b></p> <ul style="list-style-type: none"> <li>• Continued vaccination drive for all employees and their families and 3rd parties in the plant. Invited local health office to conduct booster shot drive. The company still provides free vitamins and face masks to all employees.</li> <li>• Creation of MFG-EHS-PG-002 Workplace Prevention and Control of COVID-19 which includes provision of COVID-19 Task Force.</li> <li>• Implementation of all necessary workplace safety and health programs aligned with the existing minimum public health standards and guidelines issued by IATF, DOLE, DILG and DOH.</li> <li>• Increase physical and mental resilience: Involvement of every employee on everyday actions to stay healthy</li> <li>• Safety and health protocols and guidelines</li> </ul> |

| Government/Regulatory Bodies |   |
|------------------------------|---|
| Stakeholder Concerns         | <ul style="list-style-type: none"> <li>• Complying with new Covid guidelines and procedures</li> <li>• Delays and back logs in release of permits, licenses</li> <li>• Complying with obligations, acquiring permits</li> <li>• Compliance with regulatory permits</li> </ul> |
| Company Response             | <ul style="list-style-type: none"> <li>• Maintain a relationship of transparency and collaboration with the bodies of the Public Administrations and regulatory bodies</li> </ul>   |



## Community and Society

|                             |   |
|-----------------------------|---|
| <b>Stakeholder Concerns</b> | <ul style="list-style-type: none"> <li>• Delayed submission of documentary requirements by MEG scholars due to system concerns of partner universities.</li> <li>• Since most of the beneficiaries of the Foundation in 2022 are from the vulnerable sectors of society (children, elderly, and PWD), there are limitations to the interaction of the beneficiaries and the volunteers.</li> <li>• Due to the restrictions on the number of volunteers allowed per activity, volunteerism opportunities were limited.</li> <li>• The spread of COVID-19.</li> <li>• Local barangays implementing different COVID-19 Protocols and quarantine periods.</li> <li>• Insufficient funding for reforestation, clean-up drive, livelihood projects, etc.</li> <li>• Preservation of the historic downtown of Jerez.</li> <li>• Equality policy in offering equal opportunities regardless of gender</li> <li>• Labor insertion agreement.</li> <li>• Poverty and hunger</li> <li>• Sponsorships, Volunteerism, Scholarships</li> </ul>        |
| <b>Engagement Channels</b>  | <ul style="list-style-type: none"> <li>• Continuation of partnerships and establishment of new ones.</li> <li>• Letters, calls, posters, media</li> <li>• Collaboration with the Neighborhood Association of the historic center of Jerez and agreement with the archaeological museum to study common history and heritage.</li> <li>• Agreements with "Peña de La Buena Gente" (Non-profit Association focus on Flamenco culture)</li> <li>• Agreements with professional training schools in Viticulture, Oenology and Administration for work/study internships and with the School of Fine Arts of Jerez for professional internships. ERASMUS programme (Internship program focus on training foreign students in our company) Labor insertion agreement for persons with disabilities or social exclusion</li> <li>• Meetings and continuous communication with different NGOs/Charities</li> </ul>  |
| <b>Company Response</b>     | <ul style="list-style-type: none"> <li>• Constant communication with the scholars and provision of alternative documentation(s) that they can submit to address the insufficient requirements to avoid delays.</li> <li>• Despite the limitations imposed by the COVID-19 protocols, Megaworld Foundation increased its donation efforts to its supported organizations through in-kind donations and funding support for the sustainability of their programs.</li> <li>• To continuously provide volunteerism opportunities for the employees, the Foundation invited them in repacking activities for the in-kind supplies to be donated to its partner institutions ranging to school kits, Christmas presents, Healthy Rice Meals and etc.</li> <li>• Maintaining a transparent relationship and constant communication.</li> <li>• Full compliance</li> <li>• Early completion of requirements and constant communication with regulatory bodies.</li> <li>• CSR Programs, Foundation activities and grants provision.</li> </ul> |

## Shareholders

|                             |  |
|-----------------------------|--|
| <b>Stakeholder Concerns</b> | <ul style="list-style-type: none"> <li>• Profits and returns</li> <li>• Good corporate governance</li> <li>• Sustainability</li> <li>• Ownership/Rebranding</li> </ul>   |
| <b>Engagement Channels</b>  | <ul style="list-style-type: none"> <li>• Annual stockholders' meetings</li> <li>• Investor briefings</li> <li>• Corporate website</li> <li>• Email</li> </ul>  |
| <b>Company Response</b>     | <ul style="list-style-type: none"> <li>• Regular business updates through annual stockholders' meetings, briefings and conferences.</li> <li>• Carrying out a savings plan to ensure profitability.</li> </ul> |



# Materiality: Process and Topics

3-1; 3-2

AGI's materiality assessment provides a list of topics most relevant to the Company for the year 2022. Our topics did not change drastically for the year but a new process for assessment was employed based on the latest GRI revisions.

To identify the material topics, actual and potential positive and negative impacts of AGI subsidiaries Megaworld Corporation, Travellers International Hotel Group, Inc. (TIHGI), Emperador Inc., and Golden Arches Development Corp (GADC) were identified according to the previous year's material topics and other relevant resources. The significance of the impacts was then assessed and verified by the sustainability lead/team/representatives of the concerned subsidiary, followed by its top management. Material topics were then extracted from the list of significant impacts and approved once again by the subsidiary's top management. From the approved material topics of each subsidiary, common themes were identified to represent and complete the Conglomerate's list.

## AGI's Materiality Process







# Material Topics

We maintained the previous year's alignment of our material topics into the themes of Employee Experience, Diversity and Inclusion (PEOPLE), Waste and Resource Efficiency (EFFICIENCY), Sustainable Business and Innovation (SUSTAINABILITY), Economic Growth (GROWTH), and Business Ethics, Values, and Corporate Governance (GOVERNANCE). These five themes represent our main areas of action.



\* New topics for 2022



# Sustainability at AGI: Growing Responsively

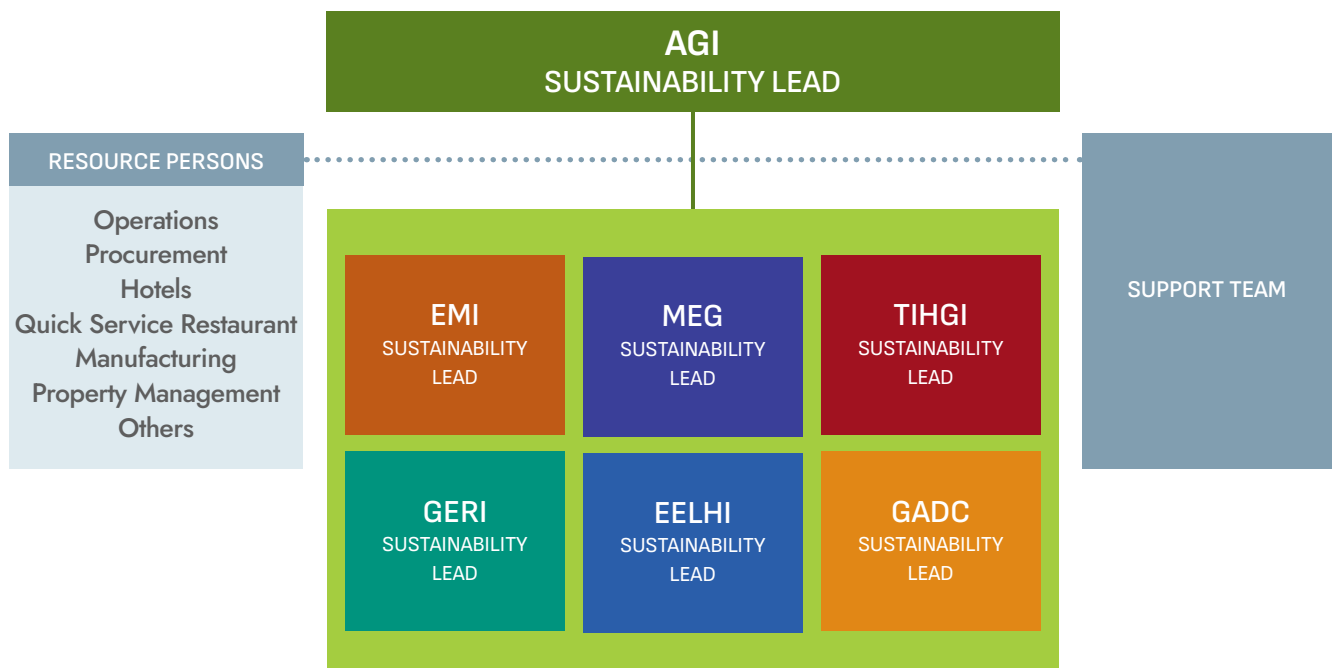
2-13  
2-14  
2-23

Sustainability is a priority at AGI and each year, as the Conglomerate further grows and launches new projects, AGI constantly reimagine how to better embed and streamline this into all aspects of our varied businesses. AGI continues to align its initiatives to the 17 United Nations Sustainable Development Goals as support to the global movement.

This 2022, AGI strengthened the sustainability movement within the Company through the creation of AGI’s sustainability framework and statement which will serve as a guide in attaining AGI’s major commitments: **To be carbon neutral by 2035**, and **To generate at least five million direct and indirect jobs by 2035**.

## AGI SustainAGility Taskforce Organization Chart

Headed by the AGI Sustainability Lead, each subsidiary is led by its own sustainability team composed of a sustainability lead, economic, environmental, social, and governance team leads.



## AGI Sustainability Statement

As a world-class Filipino conglomerate, we commit to growing our businesses responsibly, contributing to the well-being of society over the long term, and helping sustain the environment for future generations.

## SustainAGility: AGI's Sustainability Framework
















**SustainAGility** encompasses AGI's holistic approach to sustainability. Through this framework, AGI aims to build communities and spaces that enable people to live their full lives today and in the future. The AGI group pursues sustainability by focusing on three main areas: People, Planet, and Prosperity with the end goal of transforming lives, becoming carbon neutral, and having impactful growth through responsible operations and good governance.



## Sustainability Programs and Initiatives under SustainAGility

These programs and initiatives support the attainment of our major commitments. Through these activities, we also actively support the attainment of all 17 SDGs.

|  PILLAR: <b>PEOPLE</b> |   |  |
|---|---|--|
| Priority Strategy   | Initiatives   | UN SDGs Supported  |
| <b>Employee Wellness and Empowerment</b>  | <ul style="list-style-type: none"> <li>Employee Management and Benefits</li> <li>Labor/Management Relations</li> <li>Occupational Health and Safety</li> <li>Training and Development</li> <li>Diversity and Equal Opportunity</li> </ul> |  <br>    |
| <b>Community Transformation</b>   | <ul style="list-style-type: none"> <li>Learning Development</li> <li>Livelihood Programs</li> <li>Health Programs</li> <li>Crisis Management</li> </ul>   |   <br>  |
| <b>Customer Care</b>  | <ul style="list-style-type: none"> <li>Customer Health and Safety</li> <li>Customer Privacy</li> <li>Customer Satisfaction</li> <li>Responsible Marketing and Labeling</li> </ul>   |   |


|  PILLAR: <b>PLANET</b> |  |  |
|---|--|--|
| Priority Strategy   | Initiatives  | UN SDGs Supported  |
| <b>Climate Action</b>   | <ul style="list-style-type: none"> <li>Carbon Neutrality</li> <li>Energy Management</li> <li>Emissions Management</li> <li>Renewable Energy Use</li> </ul> |     |
| <b>Resource Efficiency</b>  | <ul style="list-style-type: none"> <li>Materials Management</li> <li>Waste Management</li> <li>Water and Effluents Management</li> </ul>                   |   <br>   |
| <b>Sustainable Design</b>   | <ul style="list-style-type: none"> <li>Climate Adaptability</li> <li>Certification</li> <li>Open Spaces and Inclusive Mobility</li> </ul>                  |     |



|  PILLAR: <b>PROSPERITY</b> |  |   |
|---|--|---|
| Priority Strategy   | Initiatives  | UN SDGs Supported   |
| <b>Impactful Growth</b>   | <ul style="list-style-type: none"> <li>• Direct and Indirect Job Creation</li> <li>• Economic Performance</li> <li>• Certifications</li> <li>• Business Incubation</li> <li>• Business Innovation</li> <li>• Local Tourism and Business Support</li> </ul>   |    |
| <b>Good Governance</b>  | <ul style="list-style-type: none"> <li>• Labor Laws and Human Rights Compliance</li> <li>• Environmental Compliance</li> <li>• Economic Compliance</li> <li>• Supply Chain Management</li> <li>• Shareholder Engagement</li> <li>• UN Global Compact Compliance</li> <li>• Professional Affiliation</li> </ul> |    |


## Our Major Commitments

**1**



**To be carbon neutral by 2035**  
 through the development of more water and energy-efficient homes, facilities, and buildings as well as more sustainable transportation alternatives to the communities we serve;

**2**



**To generate at least five million direct and indirect jobs by 2035**  
 by bringing economic development in all regions and key growth areas across the country.



## Sustainable Development Goals

2-25; 201-2; 413-2

Each subsidiary has its own sustainability agenda in connection with AGI’s commitments and the industry they are in. Subsidiaries also support the UN SDGs through the implementation of relevant policies, the conduct of various projects, and partnership with groups that can help in the attainment of the Goals.

As a group, AGI focuses on the areas of water and energy, job creation, local economic development, environment, women in the workplace, waste management, resiliency, green development, education, and community development.

### AGI Group supported 17 UN Sustainable Development Goals

|  | MEG | EMI | TIHGI | GADC |  | MEG | EMI | TIHGI | GADC |
|--|-----|-----|-------|------|--|-----|-----|-------|------|
| <b>1</b> NO POVERTY                              | ●   |     | ●     |      | <b>10</b> REDUCED INEQUALITIES                   | ●   | ●   | ●     | ●    |
| <b>2</b> ZERO HUNGER                             | ●   | ●   | ●     | ●    | <b>11</b> SUSTAINABLE CITIES AND COMMUNITIES     | ●   | ●   | ●     | ●    |
| <b>3</b> GOOD HEALTH AND WELL-BEING              | ●   | ●   | ●     | ●    | <b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION |     | ●   | ●     | ●    |
| <b>4</b> QUALITY EDUCATION                       | ●   |     | ●     | ●    | <b>13</b> CLIMATE ACTION                         | ●   | ●   | ●     | ●    |
| <b>5</b> GENDER EQUALITY                         | ●   | ●   | ●     | ●    | <b>14</b> LIFE BELOW WATER                       | ●   |     | ●     |      |
| <b>6</b> CLEAN WATER AND SANITATION              | ●   | ●   | ●     | ●    | <b>15</b> LIFE ON LAND                           | ●   | ●   | ●     | ●    |
| <b>7</b> AFFORDABLE AND CLEAN ENERGY             | ●   | ●   | ●     | ●    | <b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS | ●   | ●   | ●     | ●    |
| <b>8</b> DECENT WORK AND ECONOMIC GROWTH         | ●   | ●   | ●     | ●    | <b>17</b> PARTNERSHIPS FOR THE GOALS             | ●   | ●   | ●     | ●    |
| <b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE | ●   |     | ●     | ●    |  |     |     |       |      |



## Megaworld

Real estate, Office rentals, Mall rentals, Hotel operations, Consumer industry, Retail & Commerce, leisure & entertainment

|   |  |
|---|--|
| <p><b>Actual Positive Impacts</b></p>                   | <p>Megaworld follows principles of good governance and complies with local and national regulatory requirements related to its businesses. It also pursues sustainability through implementing energy, waste, water, and land management initiatives, as well as fair compensation and benefits to its employees.</p> <p><b>SDG 1: No Poverty</b><br/>The Company promotes economic development and pursues revenue and geographical diversification in developing community townships, embodying its live-work-play-learn concept in various stages and strategic locations both within and outside Metro Manila.</p> <p><b>SDG 3: Good Health and Wellbeing</b><br/>Booster vaccination program, implementation of Healthy by Design Building</p> <p><b>SDG 5: Gender Equality</b><br/>Equal opportunities in employment, skills training, and career advancement</p> <p><b>SDG 6: Clean Water and Sanitation</b><br/>Properly handling wastewater and effluents through STPs in Megaworld properties before discharge. Megaworld also promotes greywater and rainwater use.</p> <p><b>SDG 7: Affordable and Clean Energy</b><br/>Adapting DOE's Energy Efficiency Program and pursuing green building principles and certification: Leadership in Energy and Environmental Design Certification (LEED), Excellence in Design for Greater Efficiencies (EDGE). The Company also switched to LED light fixtures, and optimized test runs of 35 generators across all Asia Affinity properties.</p> <p><b>SDG 8: Decent Work and Economic Growth</b><br/>Opens opportunities within and outside Metro Manila through township developments; offers fair compensation and benefits to its employees.</p> <p><b>SDG 11: Sustainable Cities and Communities</b><br/>Megaworld has programs such as Trash to Cashback Program, Plastic Neutrality Program, and Lesser Plastics For Tomorrow.</p> <p><b>SDG 12: Responsible Consumption and Production</b><br/>Reallocation of excess materials from previous projects, use of natural materials.</p> <p><b>SDG 13: Climate Action</b><br/>Pursuing green building principles and certification: Leadership in Energy and Environmental Design Certification (LEED), Excellence in Design for Greater Efficiencies (EDGE).<br/><br/>Promotion of sustainable farming. (vertical, hybrid, farm-to-table)</p> |
| <p><b>Potential Negative Impact of Contribution</b></p> | <p>Substantial amounts of resources and energy are consumed to construct residential and commercial projects, as well as economic and social impacts on the local community.</p>   |
| <p><b>Management Approach to Negative Impact</b></p>    | <p>The organization assesses the potential negative impact of its core products and services by looking at actual energy output consumption and relating it to allocated budgets for power, lighting, and fuel. Regular inspections and maintenance checks are also carried out at regular intervals.</p>  |



## Emperador

Brandy and whisky manufacturing

|   |  |
|---|--|
| <p><b>Actual Positive Impacts</b></p>                   | <p><b>SDG 3: Good Health and Well-being</b><br/>Emperador and its subsidiaries promote not just physical, but also mental well-being through seminars, health programs, and vaccination programs for COVID-19.</p> <p><b>SDG 7: Affordable and Clean Energy</b><br/>Through the Whyte and Mackay Group (WMG), Emperador is exploring the use of renewable energy sources in more of its distilleries in Europe. This initiative is in line with Alliance Global Group, Inc.'s (AGI) goal of integrating green energy into its operations. Aside from that, the company has also replaced some of its fossil fuel consumption with solar power.</p> <p><b>SDG 8: Decent Work and Economic Growth</b><br/>Emperador and its subsidiaries provide fair compensation and benefits to its employees while giving livelihood opportunities to its neighboring communities, such as the local farming communities that grow its raw materials.</p> <p><b>SDG 12: Responsible Consumption and Production</b><br/>Emperador and its subsidiaries explore ways to utilize renewable energy through energy-efficient technology such as solar lamps, plants, and electric vehicles. The company also adopts water conservation and management programs across its plants.</p> |
| <p><b>Potential Negative Impact of Contribution</b></p> | <p>Manufacturing process partially relies on the use of fossil fuels as an energy source that produces greenhouse gas emissions.</p> <p>The manufacturing process utilizes water, which if unregulated, can contribute to excessive water consumption.</p> <p>The packaging, if sourced by unsustainable means, can negatively impact the environment and can contribute to landfill-bound waste</p>   |
| <p><b>Management Approach to Negative Impact</b></p>    | <p>Emperador and its subsidiaries have systems in place for managing energy and water consumption. They are also exploring the use of renewable energy sources for its distilleries in Europe. WML has a Green Print strategy that aligns the company with the goal of zero carbon emissions in the future, with several programs in place to meet the said goal. Emperador's glass manufacturer recycles a large percentage of its glass, which in turn reduces its energy consumption. All subsidiaries manage and aim to mitigate their landfill-bound waste through their respective waste management programs.</p>  |







# Megaworld

## CSR and Sustainability Programs

|   |   |
|---|---|
|   | <p><b>SDG 1: No Poverty</b></p> <ul style="list-style-type: none"> <li>• Outreach programs give back to the community where each property is located to circulate knowledge, love, care, and create opportunities.</li> <li>• <b>Stitches to Riches and Bubbles and Dreams Livelihood Projects:</b> Provision of an additional source of income to 10 families from poor communities.</li> </ul> <p><b>SDG 2: Zero Hunger</b></p> <ul style="list-style-type: none"> <li>• <b>Rice Together Campaign:</b> Distributed rice for the families affected by the typhoon in Siargao, Bohol, and Palawan.</li> <li>• <b>One Spoon at a Time:</b> Meal Packing Activity: 900 Healthy Soy Rice were packed for malnourished children</li> </ul> <p><b>SDG 3: Good health and Wellbeing</b></p> <ul style="list-style-type: none"> <li>• <b>MegaClinics:</b> Donated medical equipment and supplies to urban clinics in need so that pregnant women, children and the elderly are better served.</li> </ul> <p><b>SDG 4: Quality Education</b></p> <ul style="list-style-type: none"> <li>• <b>Continuous Scholarship Programs</b> through Megaworld Foundation.</li> <li>• <b>Brigada Eskwela 2022:</b> Repainting of the constructed dormitory for the Aeta students of Maruglo Elementary School.</li> <li>• <b>Eskwela ng Bayan 2022:</b> Relaunched the Eskwela ng Bayan to provide advanced alternative education to the community near Megaworld townships (reached 27 children ages 6 to 10)</li> <li>• <b>Education Community Pantry:</b> 11,157 students mostly from public schools, received education materials from the Foundation.</li> <li>• <b>Mega E-learning Hub:</b> provide more access to quality education to coastal communities by installing e-learning hubs.</li> </ul> <p><b>SDG 7: Affordable and Clean Energy</b></p> <ul style="list-style-type: none"> <li>• <b>Project Solar Hope:</b> 33 Dumagat families were equipped with solar home systems.</li> </ul> <p><b>SDG 8: Decent Work and Economic Growth</b></p> <ul style="list-style-type: none"> <li>• <b>Donation</b> to Lake Sebu Indigenous Women Weavers Association, Inc.</li> </ul> <p><b>SDG 10: Reduced Inequalities</b></p> <ul style="list-style-type: none"> <li>• <b>Assisted 56 families</b> displaced by the typhoon in the Megaworld-GK Village in Mandaluyong by addressing infrastructure concerns of the housing units owners.</li> <li>• <b>Happy Feet:</b> A Sole of Happiness Project: Over 1,700 Aetas and Dumagat children received slippers.</li> </ul> <p><b>SDG 14: Life Below Water</b></p> <ul style="list-style-type: none"> <li>• Megaworld has programs such as <b>Trash to Cashback Program, Plastic Neutrality Program, and Lesser Plastics For Tomorrow.</b></li> </ul> <p><b>SDG 15: Life on Land</b></p> <ul style="list-style-type: none"> <li>• <b>Quarterly beach clean-up.</b></li> <li>• <b>Green Thumbs-Up Campaign!:</b> Planted seedlings to help preserve Mt. Batolusong</li> </ul> |
| <p><b>Potential Negative Impact of Contribution</b></p> | <p>Megaworld believes in bringing social change and opportunities to the communities that it supports. However, this could encourage a sense of dependence and complacency in the community to the Company's CSR programs.</p>  |
| <p><b>Management Approach to Negative Impact</b></p>    | <p>The Company prides itself in being sustainable by maintaining an efficient system of handling natural resources and raw materials in its townships and development projects. Megaworld handles its environmental impacts through water management practices such as installing rainwater collection tanks to conserve water, as well as installing sewage treatment facilities that ensure all water discharged is within standard quality. On the other hand, the Company adapts DOE's Energy Efficiency program in its energy-saving initiatives. Furthermore, Megaworld puts an active stance on climate action with its Adopt-a-Forest program, as well as with its tree planting activities at the La Mesa Watershed and a 2035 carbon neutrality goal ever since the Company began tracking its GHG emissions.</p> <p>Megaworld adapts CSR programs that have a strong focus on community development through livelihood and education. This promotes long-term benefits to the beneficiaries of its supported communities by becoming self-sufficient.</p>  |



## Travellers

CSR and Sustainability Programs

|   |   |
|---|---|
| <p><b>Societal Value / Contribution to UN SDGs</b></p>  | <p><b>SDG 6: Clean Water and Sanitation</b><br/>Bantay Langis project renewal and expansion of partnership with ABS-CBN. The project contributes to SDG 6: Target 6.3 which aims to improve water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally by 2030.</p> <p><b>SDG 14: Life Below Water</b><br/><b>Sustainable Seafood Program</b> supports local fisheries and aquaculture. It aims to improve the health of our oceans by pursuing responsible business practices in the sourcing of seafood products from more sustainable fisheries and aquaculture</p> <p><b>SDG 12: Responsible Consumption and Production</b></p> <ul style="list-style-type: none"> <li>• <b>Waste Electrical and Electronic Equipment Recovery Project:</b> Renewal and expansion of partnership with ABS-CBN Foundation (Bantay Langis, Bantay Baterya, Waste Electrical and Electronic Equipment) under I Love Earth Program</li> <li>• <b>Reform, Reduce, Resume, Recycle:</b> eliminated the use of plastic water bottles in guest rooms and banquet facilities.</li> <li>• <b>Recycling/Repurposing Projects:</b> Discarded linens repurposed into pajamas, kitchen towels, decorations etc.</li> <li>• <b>Repurposing</b> of used pool towels, bed sheets, banquet table cloths, napkins, and uniforms.</li> <li>• <b>Converting food scraps</b> into candies, organic cleaning solutions, and compost.</li> <li>• <b>Healthy, Responsible, Sustainable Sourcing:</b> Cage Free eggs launch wherein hotels commit to using organic cage-free eggs in their restaurant outlets.</li> <li>• <b>Partnership with BoomGrow for ILoveEarth Urban Farm:</b> partnered with Boom Grow, a Malaysian Company that does precision farming.</li> </ul> <p><b>SDG 17: Partnership for the Goals</b><br/>Employees of NWR and each hotel are encouraged to participate in various projects to help the community.</p> |
| <p><b>Potential Negative Impact of Contribution</b></p> | <p>These are not expected to generate negative impacts as they are aligned and implemented to directly address sustainability goals.</p>  |
| <p><b>Management Approach to Negative Impact</b></p>    | <p>These programs are implemented to manage risks and negative socio-environmental impacts of other areas of the business.</p>  |





## Emperador

CSR and Sustainability Programs

|  |  |
|--|--|
| <b>Societal Value / Contribution to UN SDGs</b>  | <p><b>SDG 4: Quality Education</b><br/>Bodegas Fundador and Emperador Distillers, Inc. promote the accessibility of quality education through their respective scholarship programs for students.</p> <p><b>SDG 6: Clean Water and Sanitation</b><br/>Emperador's subsidiaries operate and manage several wastewater treatment plants, while some rely on a third-party water provider. EDI's subsidiary, Anglo Watsons Glass, Inc. (AWGI), recycles 100% of its wastewater.</p> <p><b>SDG 13: Climate Action, SDG 14: Life Below Water, SDG 15: Life On Land</b><br/>Apart from responsibly managing the environmental impacts of our supply chain, Emperador and its subsidiaries also fund and participate in programs for biodiversity conservation and greening.</p> <p><b>SDG 17: Partnerships for the Goals</b><br/>Bodegas Fundador partners with government agencies and other civil organizations to carry out programs aligned with the UN SDGs. They have been awarded by the Confederation of Cadiz Entrepreneurs for their commitments to the UN SDGs.</p> |
| <b>Potential Negative Impact of Contribution</b> | <p>These are not expected to generate negative impacts as they are aligned and implemented to directly address sustainability goals.</p>   |
| <b>Management Approach to Negative Impact</b>    | <p>These programs are implemented to manage risks and negative socio-environmental impacts of other areas of the business such as manufacturing.</p>   |

## Golden Arches

CSR and Sustainability Programs

|  |   |
|--|---|
| <b>Societal Value / Contribution to UN SDGs</b>  | <p><b>SDG 4: Quality Education</b><br/>Ronald McDonald Bahay Bulilit, builds learning centers in areas where they are most needed. Ronald McDonald Read to Learn teaches beginning readers in different public schools in the Philippines.</p> <p><b>SDG 2: Zero Hunger</b><br/>The Kindness Kitchen responds to the COVID-19 pandemic, serving meals to marginalized communities and disaster-affected communities.</p> <p><b>SDG 7: Affordable and Clean Energy</b></p> <ul style="list-style-type: none"> <li>• Green &amp; Good Program</li> <li>• Ensures environmental footprint is low in locations where McDonald's operates.</li> <li>• Use of LED lights, solar lamp posts, and VRF air-conditioning systems to reduce energy consumption and GHG emissions.</li> </ul> |
| <b>Potential Negative Impact of Contribution</b> | <p>These are not expected to generate negative impacts as they are aligned and implemented to directly address sustainability goals.</p>  |
| <b>Management Approach to Negative Impact</b>    | <p>These programs are implemented to manage risks and negative socio-environmental impacts on other areas of the business.</p>  |



## AGI holds Sustainability Conference and Workshop



After the pandemic challenged the continuation of activities under AGI's SustainAGility, the Conglomerate is back again with a renewed focus on its sustainability efforts. AGI together with its subsidiaries, Megaworld Corporation, Travellers International Hotel Group Inc (TIHGI), Golden Arches Development Corporation (McDonald's Philippines), and Emperador gathered together on October 27, 2022, at Sheraton Hotel, for the AGI Sustainability Conference.

Mr. Kevin Tan, AGI President and CEO opened the event, detailing the importance of sustainability efforts, and reiterating the biggest challenge being faced by businesses: how to grow responsibly. In his keynote message, he also urged the leaders of each subsidiary to make their sustainability efforts stronger and to do what is right.

"For us at Alliance Global, it cannot be business as usual anymore. We must start to become more conscious and responsible for the long-term social, economic, and environmental impact of our businesses."

Ms. Caroline Kabigting led the presentation of AGI's Sustainability Journey, discussing ongoing programs, AGI's current environmental data, and the Conglomerate's future plan. Mr. Kingson Sian of TIHGI presented the "I Love Earth" campaign - a series of programs that makes the operations in different hotels under the Company, more sustainable.

Attended by each subsidiary's sustainability team and point persons, the event is the conglomerate's move towards jumpstarting its sustainability efforts as the economy recovers from the pandemic.

Following the Sustainability Kick-off is the AGI Visioning Workshop led by AGI sustainability lead, Jose Arnulfo Batac. In this event, the sustainability leads of each subsidiary presented their sustainability projects including opportunities and challenges they encounter. The results of the workshop informed the creation of AGI's sustainability framework.



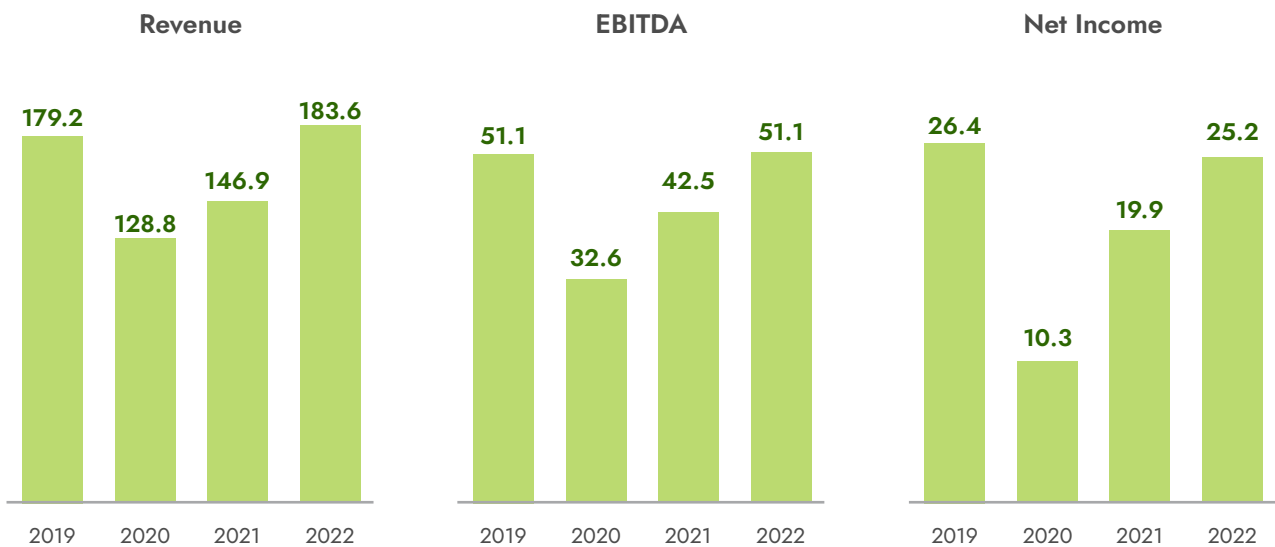
# 2022 Financial and Operational Highlights

3-3  
201-1  
203-1  
203-2

## AGI

AGI performed strongly across all its business segments, registering record topline growth as it benefitted from the continued reopening of the economy, which led to increased mobility and a resurgence in discretionary spending. The operational performances of each business segment continued to soar above pre-pandemic levels (2019) and even exceeded the levels in the industry. This improvement is largely due to the epic rise of its liquor sales, significant recovery in the gaming and QSR businesses, and the sustained growth in real estate revenues. AGI’s net income has also risen steadily since the onset of the pandemic.

AGI Revenue, EBITDA, and Net Income (2019–2022) in Php Billion



\*Based on core or normalized performance.



# Megaworld Corporation

Megaworld saw improved real estate sales in 2022, a significant recovery in occupancy which boosted revenues of its lifestyle malls and hotel segment, as well as the steady rise in office rentals. These factors contributed to the company’s remarkable performance during the year which brought its consolidated revenues 17% higher year on year to PHP59.4 billion while attributable net income amounted to PHP13.5 billion.

Coming on the back of improved construction activity which led to higher project completion, real estate sales revenues rose by 18% year on year to PHP36.8 billion. Of the said total, about 81% was contributed by upper-middle to high-income projects which grew 26% year on year, while the balance was accounted for by projects catering to the low-middle to economic segment. Also during the year, Megaworld launched 20 projects collectively valued at PHP45 billion, which supported its 49% surge in reservation sales to PHP118.9 billion, indicative of pent up demand for attractive real estate despite rising interest rates.

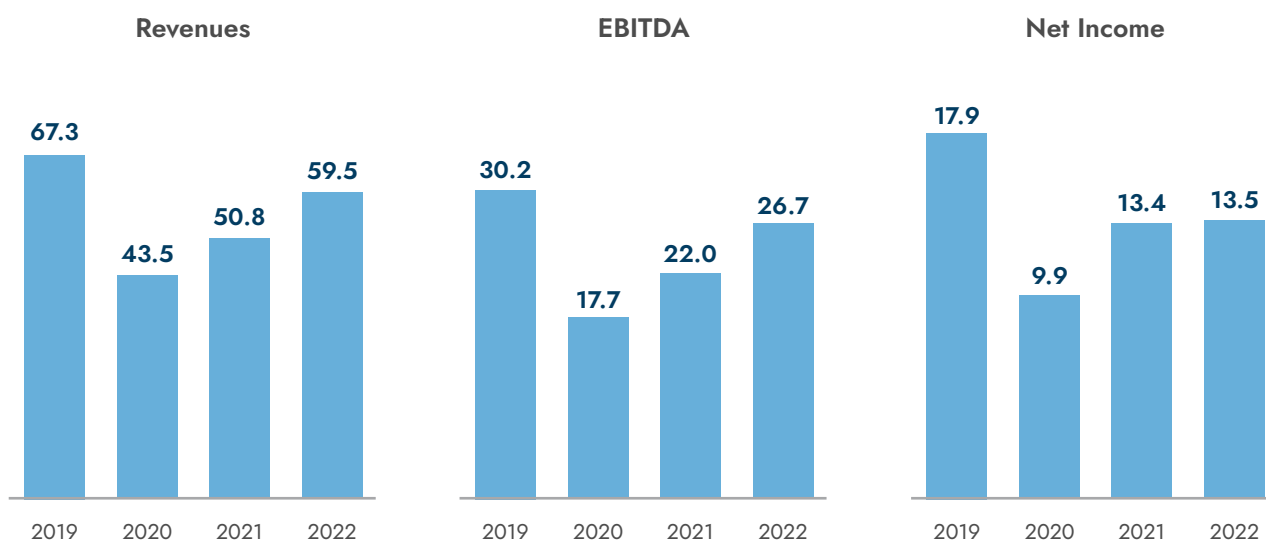
Megaworld Premier Offices, which contributed more than a fifth of revenues, still grew by 11% year on year to PHP12.2 billion. This was driven largely by the 9% rise in closed transactions, more than half of which are new leases, which helped bring average occupancy higher to 92%, above industry experience. During the year, four office towers in its Uptown Bonifacio and Arcovia City townships received Gold and Silver LEED (Leadership in Energy and Environment Design) certifications, bringing Megaworld’s total number of LEED-certified buildings to 17 (7 Gold and 10 Silver certifications). In addition, 6 of its office towers have earned IMMUNE™ certifications from the Healthy by Design Building Institute.



Megaworld Lifestyle Malls benefited strongly from the improvement in mobility and discretionary spending, bringing its occupancy to 90%. These factors, in addition to the removal of rental concessions towards the latter part of the year, boosted mall revenues by 51% year on year to PHP3.4 billion.

Megaworld Hotels & Resorts revenues grew by 35% year on year to PHP2.6 billion, supported by increased staycation and MICE activities, which led to higher occupancy and average room rates. The more significant improvement in performance was felt by its resort facilities, particularly its Twin Lakes Hotel, which is nestled on a 1,200-hectare Twin Lakes township in Metro Tagaytay.

## Megaworld Revenue, EBITDA, and Net Income (2019–2022)



\*Based on core or normalized performance.



In 2022, Megaworld added 550 room keys to its roster with the opening of Belmont Hotel Mactan in its township Cebu, The Mactan Newtown, making Megaworld the largest hotel operator in the whole of Cebu Province, in terms of the number of hotel keys. Megaworld Hotels & Resorts currently has 13 hotel properties under six homegrown brands with around 4,700 hotel keys.

Megaworld presently has 30 townships covering over 5,170 hectares of land all over the country, after it launched two new townships last year — Sherwood Hills in Cavite and Winford Resort in Manila.

Sherwood Hills is a 340-hectare integrated lifestyle community located in Trece Martires, in the province of Cavite. It features an award-winning Jack Nicklaus signature golf course that thrives itself to be a natural layout of punctuated bunkers. Its golf course condition is best described as “Tournament Ready” any day of the year.

The township is also the site of Prana Garden Villas, a 41.8-hectare Zen and Balinese-inspired nature estate that has about 40% of the space dedicated to green and open sceneries to promote an iconic, holistic lifestyle.

Located just beside the historic Chinatown on a property within the San Lazaro Tourism and Business Park is the 3-hectare Winford Resort Estate, which will host a mix of residential condominiums, hotels, and commercial developments with a casino complex and will be inspired by ‘Old Manila’. Its commitment to reviving the old beauty of Manila will be apparent in the designs of the commercial developments of this community. The buildings will be characterized by rich aesthetics, with intricate details of French Renaissance, Neoclassical, and Art Deco Architectures. A major feature of this integrated lifestyle community, the Promenade, will have walkways made of cobblestones, reminiscent of the pavements used during the Hispanic era.





## Emperador, Inc.

Emperador has reached another milestone performance when it reported record revenues of PHP62.8 billion, driven by the sustained strong demand for its brandy and whisky products, given their growing popularity in the global market and the resurgence of travel retail. Attributable net income reached PHP10.1 billion, surpassing pre-pandemic levels.

Brandy sales remained strong in numerous markets, particularly the Philippines, Spain, Mexico, and North America, bringing its revenues 9% higher year on year to PHP40.7 billion. Emperador also launched new products during the year: Fundador Sherry Cask and the full extension range with Doble Madera and Triple Madera.

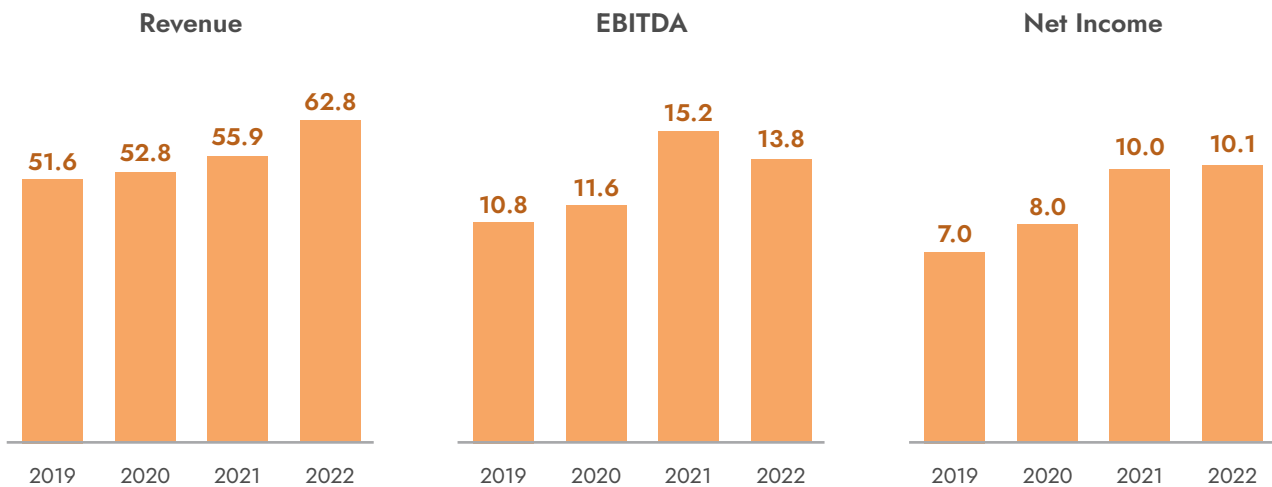
Emperador's whisky business once again gave an outstanding performance as revenues grew 18% year on year to PHP22.1 billion due to the growing demand for the company's single malt brands, particularly in the United Kingdom, Europe,

Asia, and North America, as well as global travel retail. During the year, Whyte and Mackay also introduced new products, particularly The Dalmore Luminary No. 1, Jura 14 Year Old Rye Cask, Tamnavulin White Wine Cask, and the Fettercairn 18 Year Old Scottish Oak.

Emperador's breakthroughs serve as compelling evidence that its Contemporize, Premiumize, and Internationalize growth strategy and approach is effective as it continues to expand to global markets.

Emperador also made history as the first Philippine Stock Exchange, Inc. (PSE) listed company to achieve a dual listing on the Singapore Exchange Securities Trading Limited (SGX). Emperador is also the pioneer Philippine company to be included as a constituent in the prestigious Straits Times Index (STI), which serves as the benchmark index of the SGX.

### Emperador Revenue, EBITDA, and Net Income (2019–2022)



\*Based on core or normalized performance.







# Travellers International Hotel Group, Inc.

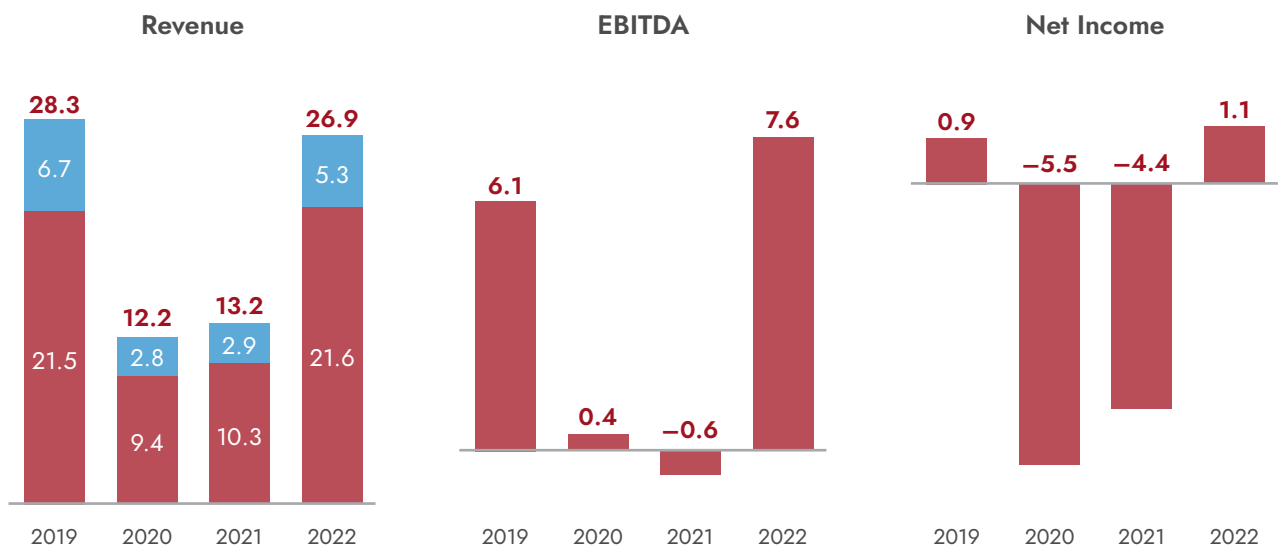


Travellers experienced a significant 90% year-on-year surge in gross revenues to PHP37.1 billion, driven mainly by the continued improvement in gross gaming revenues (GGR) which rose by 90% year on year to PHP31.8 billion as VIP GGR hit a historic high while mass GGR continued to recover strongly. Its non-gaming revenues grew by 86% year on year to PHP5.3 billion, buoyed by rising demand for hotel staycations and MICE activities following the easing of pandemic restrictions. Supported by cost efficiencies, EBITDA recovered sharply to PHP7.6 billion, while the company turned the corner with a net income of PHP1.1 billion.

Even before the pandemic, Travellers has poured in additional investments to upgrade its 13-year-old integrated resort which has been rebranded last year to Newport World Resorts. Its property now hosts two casinos – the Garden Wing and the Grand Wing – and boasts the largest collection of premier hotels in a single location. It features a remarkable total of 3,900 room keys across five internationally known hotels (Marriott, Holiday Inn Express, Sheraton, Hilton, and Okura) and two home-grown Megaworld Hotels (Belmont and Savoy). Additionally, Newport World Resorts encompasses the expansive Marriott Grand Ballroom, the largest venue in the country for hosting meetings, incentives, conferences and exhibitions (MICE) activities.

Travellers Revenue, EBITDA, and Net Income (2019–2022)

Net Gaming Non-Gaming



\*Based on core or normalized performance.



# Golden Arches Development Corporation

GADC achieved a record level of systemwide sales in 2022 which amounted to PHP61.1 billion, an increase of 31% year on year. Buoyed by increased mobility, the resurgence in discretionary spending and continued store expansion program, sales revenues rose to an impressive PHP34.4 billion, setting a record-level performance. GADC added 45 stores to its existing portfolio, bringing to 704 stores its total count in the Philippines.

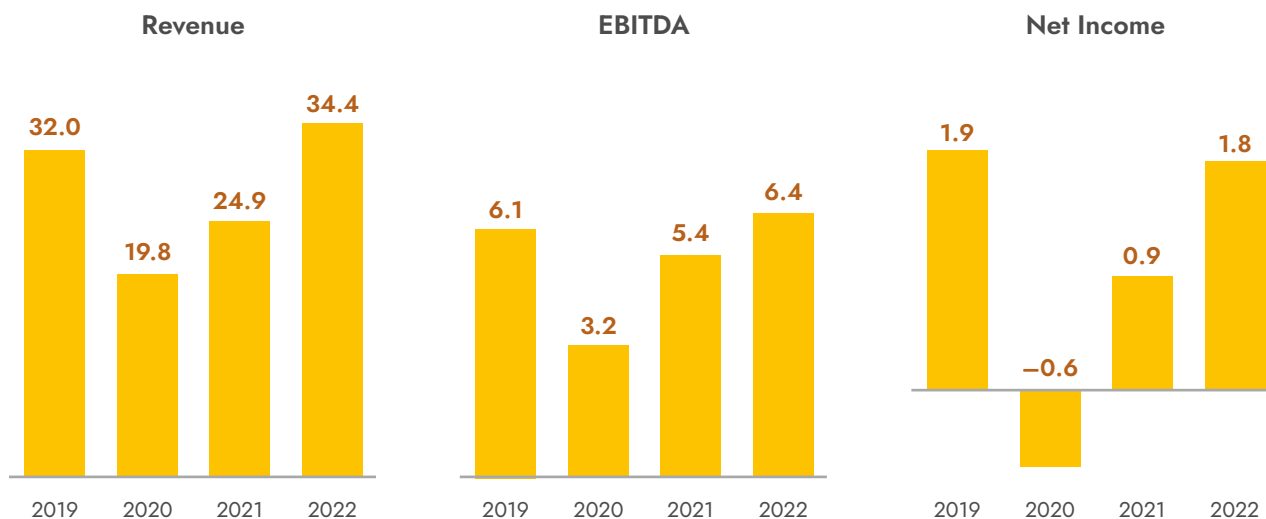
GADC also launched exciting new product initiatives in its burger, coffee, and chicken lines, as well as gave its customers the ability to create their own meal combinations. The McDonald's Cheese Dunk was launched this year which was widely anticipated by customers; McSavers Mix & Match grew the total McSavers platform by 6% versus pre-pandemic volume as it was seen by customers as good value for money.

Additionally, the limited offer Caramel Popcorn Coffee increased coffee sales by 6% as it created excitement for coffee drinkers. The Spicy Chicken Range (McSpicy, Spicy McNuggets, Spicy Chicken McDo) helped in increasing the credibility of chicken, being able to grow great tasting chicken scores. Lastly, the Share the Light campaign featuring a new festive Holiday Sandwich and two new McFlurry Limited time offers achieved a 139% target achievement rate.

The success of these initiatives contributed largely to GADC's excellent performance during the year, growing its attributable net income by more than double to PHP1.8 billion.



## Golden Arches Revenue, EBITDA, and Net Income (2019-2022)



\*Based on core or normalized performance.



# Procurement Practices

AGI’s supply chain spans local and international markets. Understanding that movement of goods and acquiring services for the operation of its different businesses can negatively impact the economy, environment, and society, AGI promotes sustainable sourcing and the acquisition of goods and services from reliable sources with the same values as the Company. First and foremost, suppliers must follow standards for environmental and social sustainability.

| Subsidiary            | Percentage of procurement budget spent on local suppliers |
|-----------------------|---|
| Megaworld             | 98%   |
| Empire East           | 100%  |
| Global-Estate Resorts | 100%  |
| Travellers            | 83%   |
| Emperador             | n/a   |
| Golden Arches         | 78%   |

## Emperador

EDI has a policy on supplier business ethics and integrity and Supplier Policy on Accountability and Liability to manage any risks pertaining to bribery and corruption during engagements between the company and its suppliers.

To ensure that business partners comply with environmental policies, it is a requirement of EDI to provide a Certificate of Compliance issued by the DENR. Adherence to other regulatory requirements, social welfare, and health and safety standards are also evaluated to ensure that they are at par with the Company’s expectations.

Meanwhile, Bodegas Fundador is implementing its New Supplier Selection Procedure wherein the environmental performance of suppliers is screened for accreditation.

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## Megaworld

Megaworld improved its vendor’s accreditation program by updating the Company’s checklist for vendor accreditation this 2022. The checklist now includes the company profile, permits, licenses, experiences, qualifications, and member profile, among others. This new system helps the Company find more reliable and trustworthy vendors with the same sustainability goals as Megaworld. Additionally, the Company’s adherence to sustainable purchasing practices ensures that equipment and materials are diligently selected, resulting in better materials and equipment installation.

Under the procedure, the company’s Supply Chain General Director validates whether a new supplier is complying with European regulations. Bodegas Fundador does not work with companies that do not follow these regulations. Its main suppliers also send them sustainability reports once a year.

WMG has ‘Green Print’ which outlines the Company’s approach to having a sustainable supply chain. Under Green Print, the company’s suppliers must undergo audits and are asked if they have earned credentials relating to compliance and environmental techniques, such as FSC, PEFC, and ISO certifications. WMG is looking to add environmental screening to its audit and supplier onboarding process in the future.



## Travellers

The Central Procurement and Logistics Department factors in awareness of, and compliance with, social regulations and impact on the supply chain in selecting suppliers. Its partner hotels are similarly highly engaged in sustainability efforts under their respective international groups.

Healthy, responsible, and sustainable sourcing is also a pillar under Travellers' I Love Earth program. This 2022, Travellers partnered with BoomGrow - a Malaysian organization that promotes urban farming. Led by Chef Meik Brammer of Marriott, the F&B teams of Newport World Resorts (NWR), and its hotels, Travellers also committed to using organic cage-free eggs in their restaurant outlets.



## GADC

GADC sources as many ingredients locally as possible as a way to support the Philippine economy, as well as to empower and create local jobs and opportunities. GADC supports local farmers through sourcing of products such as palay for rice meals, eggs, lettuce, and tomato.

Part of GADC's responsibility is to also ensure that suppliers are compliant with local laws and regulations. They must also value people and employees. With this, GADC employs Supplier Workplace Accountability (SWA) – a global process used in the McDonald's system for ensuring the supplier's workforce is compliant with local regulations in terms of paying the right amount and right time to the employees, ensuring human rights and practices at work are followed.

Supplies that undergo accreditation are screened under these topics: **a.)** Environmental performance, **b.)** Forced labor, **c.)** Child labor, **d.)** Human rights, and **e.)** Bribery and corruption.

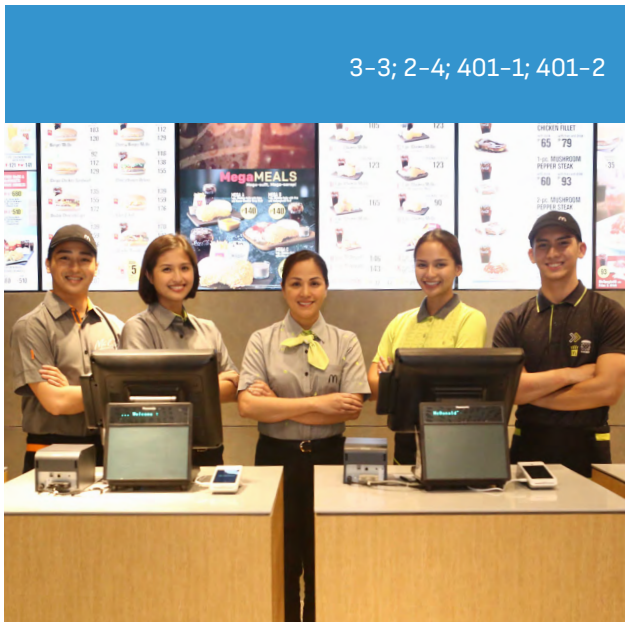
To ensure compliance, the Company conducts thorough checks on supplier/business legitimacy and avoids engaging with unreliable or unscrupulous suppliers. Mitigating the risk of supplier non-compliance is crucial for the Company, as it not only affects the assurance of a stable supply but also impacts the brand reputation.

To reinforce compliance, regular Quality Assurance (QA) audits are conducted, which include regulatory compliance checks. These audits are carried out internally by the QA team and are complemented by evaluations from a third-party accrediting body that assesses suppliers' adherence to regulatory standards.



# Employee Experience, Diversity, and Inclusion

## (PEOPLE)



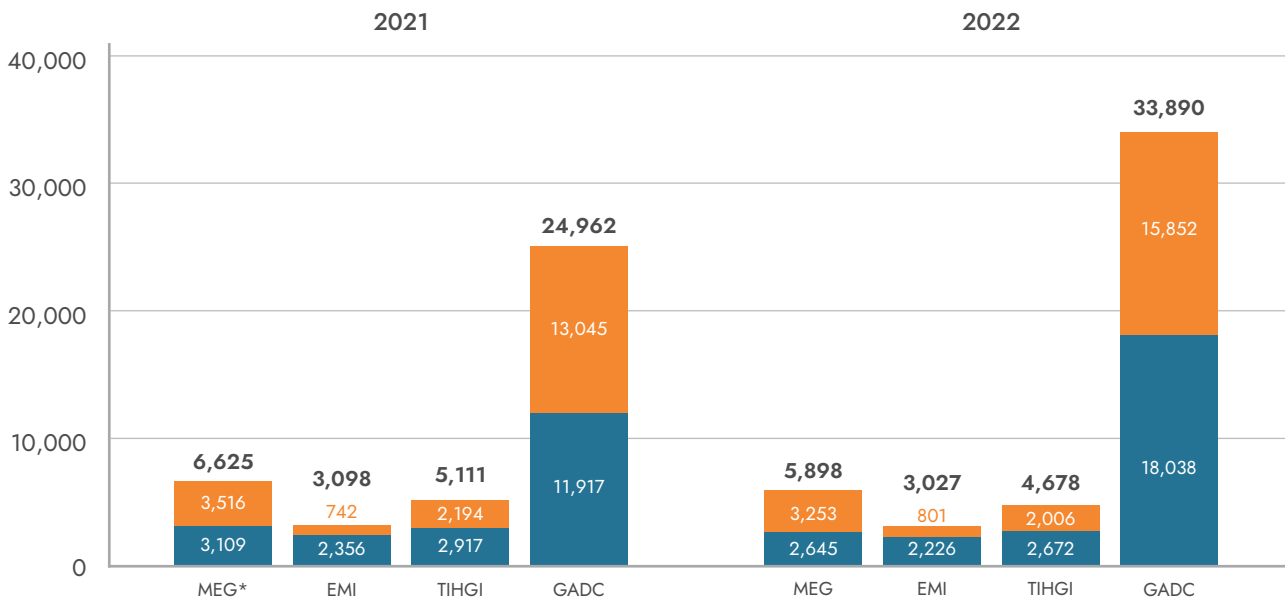
## Diversity and Equal Opportunity

AGI is committed to building a diverse, gender-equal, and inclusive environment for all of its employees. Regardless of race, color, gender, sexual orientation, age, religion, or other factors, the Group ensures equal chances for compensation and benefits, safe workspaces, training, and professional development.

This commitment is essential to the company's efficiency and competitiveness. AGI intends to track the progress toward diversity and inclusion moving forward, assisting in creating a more equitable, inclusive society and world. AGI's subsidiaries also embody this commitment.

Workforce diversity across AGI subsidiaries, by gender (2021-2022)

Female Male



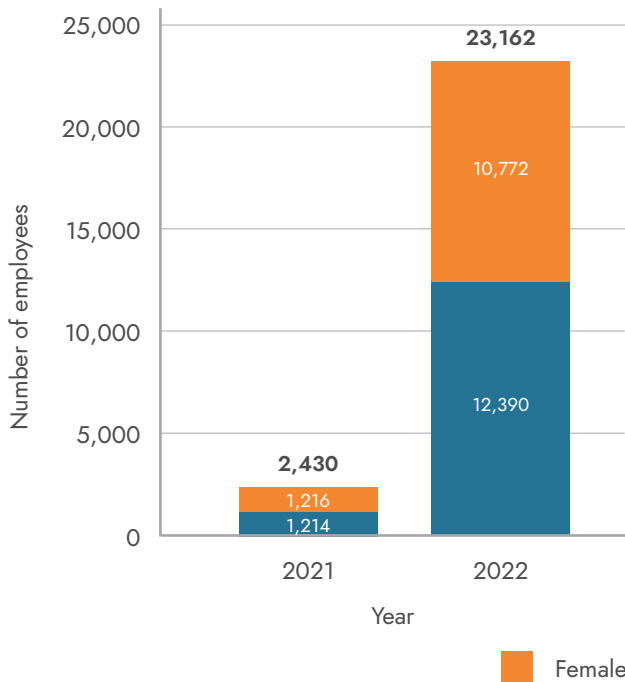
**AGI (Total)**

|        |               |              |
|--------|---------------|--------------|
| Female | 19,497* (49%) | 21,192 (46%) |
| Male   | 20,299* (51%) | 25,581 (54%) |

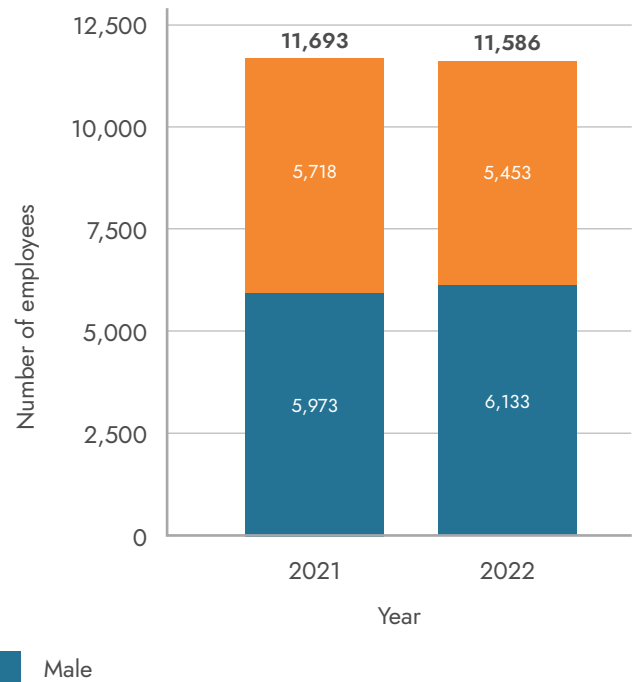
\* Restated



### New employee hires (2021-2022)



### Employee turnover (2021-2022)



## Megaworld

Megaworld has not only consistently strengthened its workforce as well as its competitiveness in the property industry, but it has also been able to offer quality employment to a broad pool of qualified individuals. The inclusivity implemented by the Company in its work environment increases access to employment opportunities within the organization. Not only is Megaworld creating jobs, which is part of its mission, but it is also doing so in a way that values different characteristics, skill sets, knowledge, experience, and perspectives. Diversity and equal opportunity boost productivity, creativity, and innovation and enhance employee engagement and retention—which also translates to improved business performance, longevity, and sustainability.

The Company’s commitment to inclusivity encompasses establishing programs and initiatives that benefit the diverse workforce and are geared toward each member’s continued growth and development.

The company does not discriminate against task assignments and remains open to working with people based on knowledge, experience, personal goals, potential value, and skills. There have been no complaints about gender inequality in the past year.

### Empire East Celebrates Diversity through Social Spaces

Celebrating diversity, EELHI rolled out the Social Spaces program this 2022. The program allowed employees from various departments with the same interests to get together to fill the gap in social distancing brought on by the pandemic. Some Social Spaces are for bike lovers, book lovers, K-pop, bible readers, parents, fitness buffs, cooking, and baking.

The Social Spaces Program is EELHI’s response to employees’ need for an inter-departmental health break that facilitates other things they love for a more productive working environment and culture. EELHI will implement the Social Spaces event yearly because of its success this year.





## Emperador

Recognizing the significance of having a secure and inclusive workplace, Emperador emphasizes the importance of embracing diversity. Aiming to cultivate innovation and foster a variety of viewpoints, the company firmly holds the belief that future leaders should emerge from diverse backgrounds. With this, Emperador remains committed to providing equal opportunities for all employees, irrespective of age, ethnicity, or gender. Emperador believes that by championing inclusivity, the company establishes an environment that values and celebrates the unique contributions of each individual.

Emperador's approach to diversity and inclusion is reflected in each of its subsidiaries in the Philippines and abroad.

Emperador's EDI has anti-discrimination policies to prevent instances of discrimination from happening at the workplace or during the hiring process. To measure diversity, they analyze data such as employees' age, gender, socioeconomic status, and province of origin. They also have a Talent Management system that guides them to provide equal opportunities to all employees regardless of gender, age, and preferences.

Bodegas Fundador developed an Equality Plan in 2021, which offers equal opportunities to people regardless of their gender and provides measures on how to ensure diversity and equality within the workplace

At AWGI, diversity and equal opportunity are important as it impacts sustaining the good of employees from different levels of the company. AWGI contributes to this topic through its programs toward the realization of goals. As far as the supply/value chain is concerned, diversity and equal opportunity particularly occur with direct hires. Any

violation may incur penalties or non-monetary sanctions that will definitely impact the business. There are policies that the company formulated to protect diversity and equal opportunity among its applicants and employees.

Progreen strives to create a culture of fairness and inclusion by offering all employees appropriate diversity and inclusion training and raising awareness of indirect discrimination. The company evaluates its success in managing this topic through employee retention and employee feedback.

Gender equity and salary equity are highly important to Casa Domecq as they are building strategies to minimize differences and improve the current situation. The company manages diversity and equal opportunity by analyzing yearly salaries and proposing the necessary adjustments. It also takes into consideration the performance of each individual. Indicators for a successful management approach for this topic include an improved composition of the Casa Domecq workforce in relation to diversity and the provision of more equal opportunities compared to previous years.

Equality and inclusion (E&I) are also increasingly important to all stakeholder groups of WMG. They have an E&I Charter published internally, which openly states their commitment. In 2021, the company launched the charter and appointed an internal steering group to assist the executives in raising awareness and reviewing their current practices and policies. The Executives are responsible for E&I, with the HR Director leading the initiative. WMG also has a whistleblowing policy and an internal grievance procedure for managing any concerns. To evaluate whether they successfully manage this topic, the Steering Group will conduct an audit annually and monitor disputes raised on this subject.

## Travellers

Discriminatory dynamics are not ingrained in the culture of Travellers. In the Company, everybody is treated fairly and respectfully, whether employees, suppliers, or customers.

## GADC

The company promotes equal hiring opportunities regardless of gender and age. This also applies to benefits and remuneration, wherein employees are paid according to their job function and performance.





### AGI: List of benefits provided to employees and percentage of who availed (By gender)\*

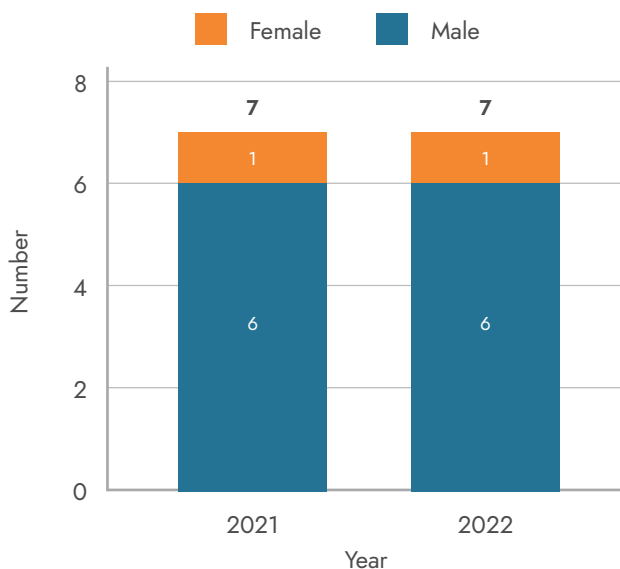
| List of Benefits                         | % of female employees who availed for the year | % of male employees who availed for the year |
|--|--|--|
| Life insurance                           | 13.16%   | 14.27%                                       |
| Health care (aside from Philhealth)      | 22.18%   | 20.42%                                       |
| Disability and invalidity coverage       | 9.17%  | 10.44%                                       |
| Parental leave                           | 1.28%  | 0.46%  |
| Retirement provision (aside from SSS)    | 0.16%  | 0.20%  |
| Stock ownership                          | 0.00%  | 0.00%  |
| Others                                   | 0.00%  | 0.00%  |
| SSS                                      | 15.95%   | 23.12%                                       |
| PhilHealth                               | 16.04%   | 16.86%                                       |
| Pag-Ibig                                 | 16.52%   | 14.90%                                       |
| Vacation leaves                          | 21.95%   | 20.06%                                       |
| Sick leaves                              | 15.66%   | 15.90%                                       |
| Housing assistance (aside from Pag-Ibig) | 0.09%  | 0.09%  |
| Further education support                | 9.17%  | 10.45%                                       |
| Telecommuting                            | 4.29%  | 3.03%  |
| Flexible working hours                   | 2.77%  | 1.16%  |

\*Data presented are based on estimation.

## Board and employee diversity

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### AGI: Board diversity, by gender (2021-2022)

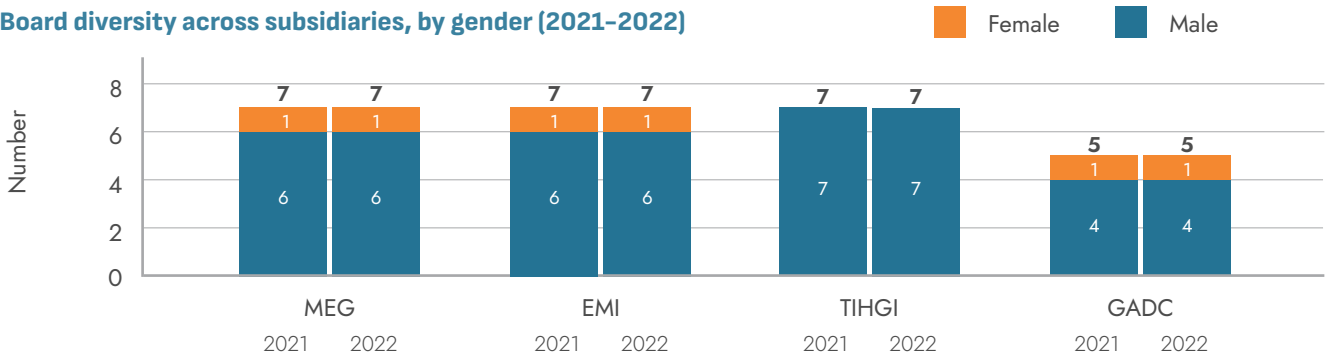


### AGI: Board diversity, by age (2021-2022)

|          | 2021 | 2022 |
|----------|------|------|
| Under 30 | 0    | 0    |
| 30-50    | 1    | 1    |
| Over 50  | 6    | 6    |



**Board diversity across subsidiaries, by gender (2021-2022)**



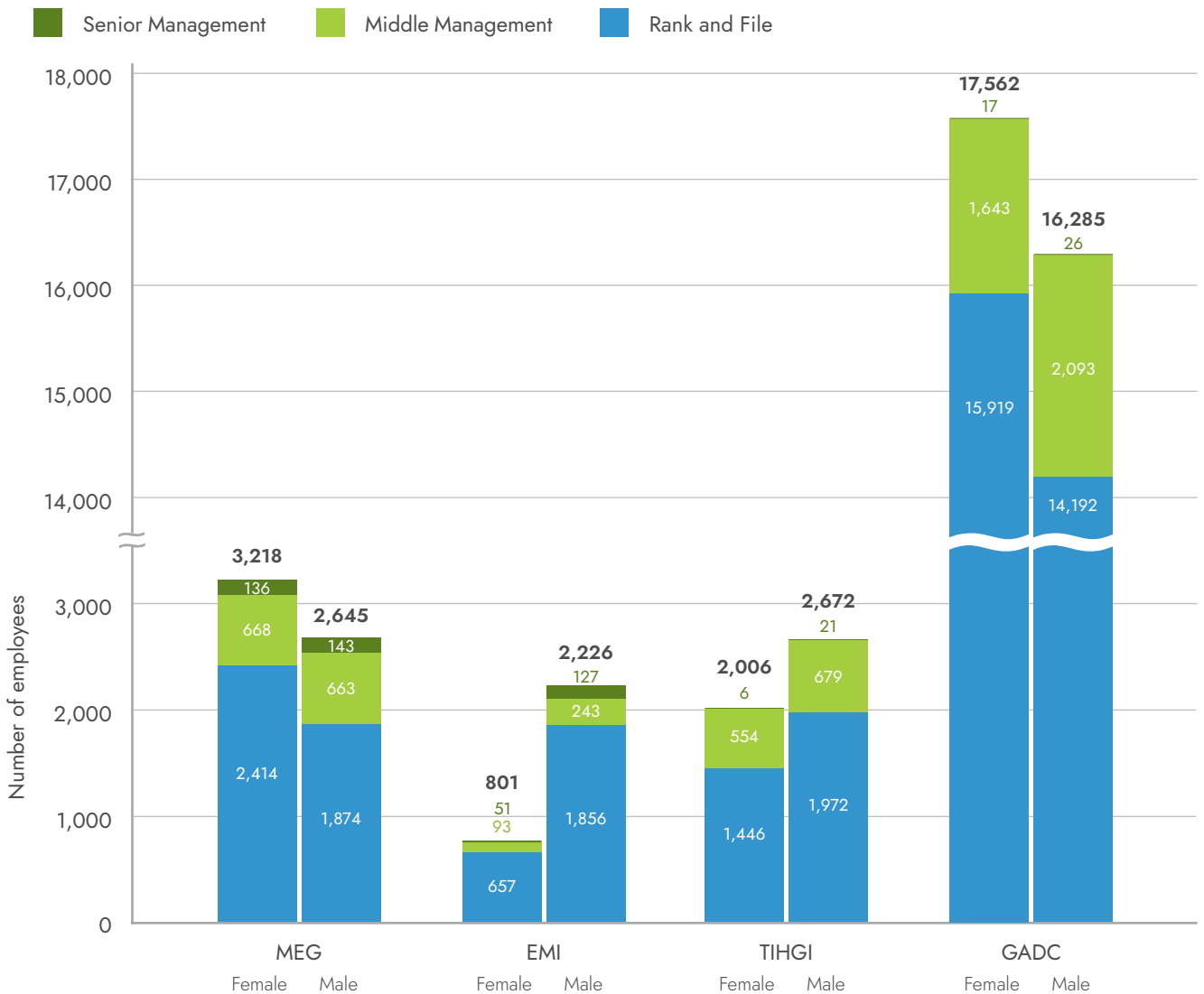
**AGI: Gender diversity across organizational levels (2022)**

|        | Senior Management | Middle Management | Rank and File |
|--------|-------------------|-------------------|---------------|
| Male   | 317               | 3,678             | 21,621        |
| Female | 210               | 2,958             | 18,709        |

**AGI: Age diversity across organizational levels (2022)**

|          | Senior Management | Middle Management | Rank and File |
|----------|-------------------|-------------------|---------------|
| Under 30 | 29                | 2,327             | 33,525        |
| 30-50    | 330               | 3,964             | 6,377         |
| Over 50  | 168               | 345               | 428           |

**Gender diversity across organizational levels in subsidiaries (2022)**





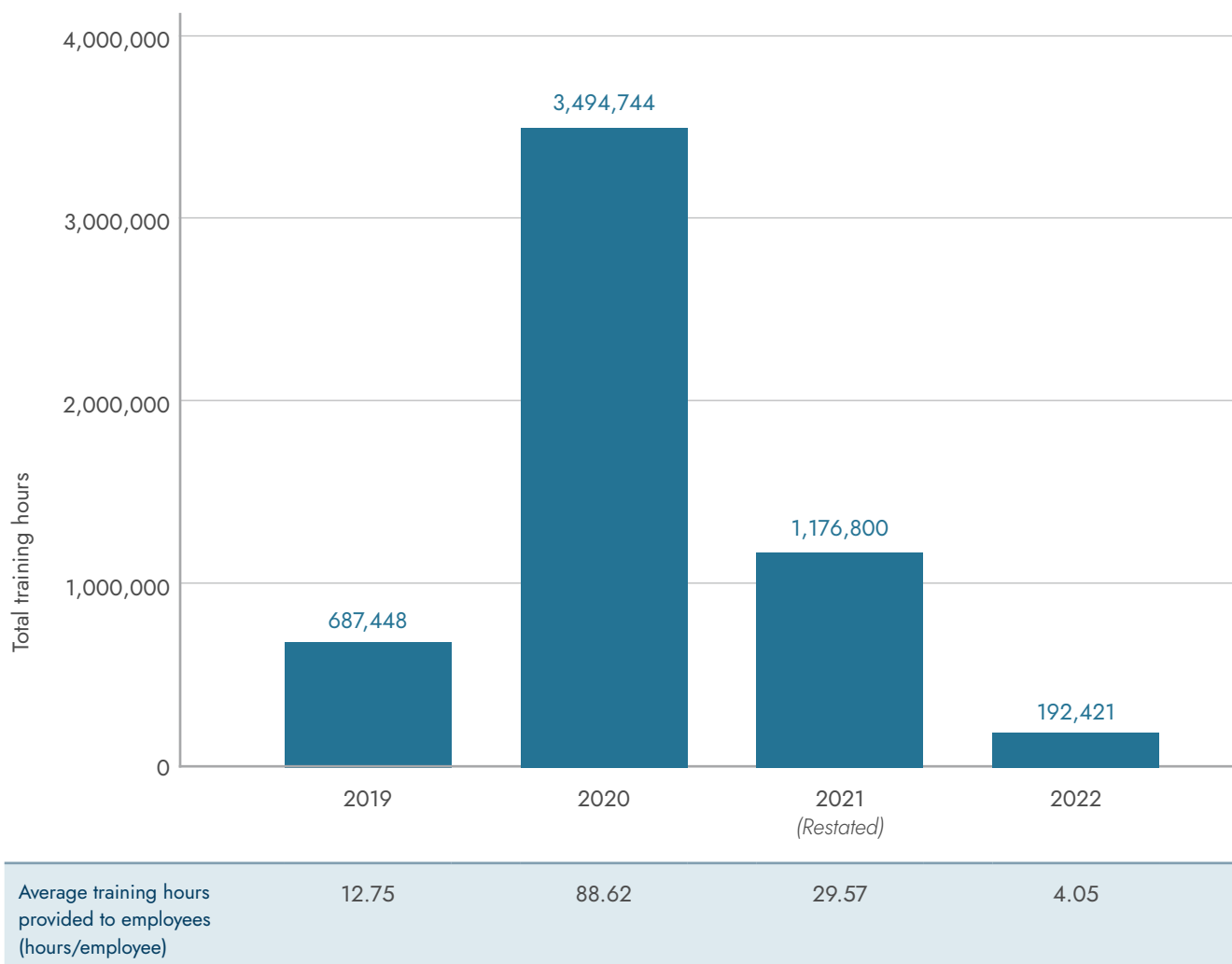
# Employee Training and Education

Capacity building, training, and education of employees continue to be an important part of AGI and its thrust to drive innovation in its diverse set of businesses, and the delivery of a wide array of services powered by its different subsidiaries. The group conducted various training sessions in 2022 dedicated to continuing education and skills updating. Additionally, performance reviews are scheduled bi-annually to support career development, promotion, and merit enhancement.

3-3  
2-4  
404-1  
404-2



## Employee training and development (2019-2022)



For training, Megaworld launched the Megaworld Learning Academy. These Masterclasses included learning about boosting one’s morale, bonds, and insurance for risk mitigation and the green building construction framework: Leadership in Energy and Environmental Design (LEED).

Megaworld - Asia Affinity additionally held a workshop on Sustainable and High-Performance Property for its Property Managers, giving them a better understanding of the processes that give optimized project results.

GERI, a Megaworld subsidiary, offered competency or skill-based training programs and behavioral training programs. Meanwhile, Empire East offers soft skills and personality development programs such as coaching for peak performance, communication skills training, team building, and mental health programs.

Travellers implemented its training and development programs under the Transform initiative through ILoveEarth’s teaching, training, and technology pillar. This year the HR teams of NWR also rolled out the ILoveEarth program to their respective employees to ensure that everyone is aware of and engaged in the sustainability projects of the said campaign.

Emperador strengthened its team through a data privacy seminar and a privacy impact assessment orientation conducted in partnership with the National Privacy Commission. The data privacy seminar intends to raise awareness among employees about the provisions of the Data Privacy Act of 2012. Privacy awareness and training help employees understand personal data, how to protect it under their custody and control, and the appropriate response in case of a breach.

Emperador also conducted an email phishing attack exercise. Partnering with P&A Grant Thornton to conduct simulated phishing attacks on 351 company email addresses, employees were made aware of the most common form of cyberattack.

Emperador’s EDI has a ‘Room to Grow’ mantra which ensures that there is a sufficient pool of talented employees ready to assume higher positions within the organization. In addition to job rotation and technical training, cross-exposure programs are provided to upgrade employees’ skills. EDI plans to implement employee training programs to impart knowledge on the alcoholic beverage industry.

## Megaworld awarded as one of the ‘Best Companies to Work for in Asia’



Megaworld was among the 35 companies in the country awarded as one of HR Asia’s “Best Companies to Work For in Asia - Philippines.” The award is given to companies that create a nurturing, safe, and happy work environment and provides continuous growth opportunities for their employees.

According to Rafael Antonio S. Perez, first vice president and head of the Human Resources and Corporation Division of Megaworld, employees are the Company’s most important asset. He owes the success of Megaworld, who has become one of the country’s most successful property developers in the Philippines, to the employees who work tirelessly for the Conglomerate’s continued success.

Megaworld remains committed to its mission of creating a rewarding workplace for its employees, no matter the circumstances.





Golden Arches launched the Restaurant Support Center (RSC) Open University and the RSC Learning & Development Resources Site, an online gateway to all the courses, resources, and tools that facilitate learning and growth. It is the repository for all training-related documents, Virtual Classes, Open Online Courses, Webinars, and RSC Live! Videos and Leadership Resources for self-directed learning for leaders and staff.



## McDonald's tagged as one of the Philippines' Best Employers

McDonald's Philippines was recognized as one of The Philippines' Best Employers in the Philippine Daily Inquirer - Statista inaugural list. The ranking lists the country's top-rated employers as evaluated by their employees.

Being included in the Philippine Daily Inquirer - Statista's list is a testament to Golden Arches' commitment to continuously uphold a workplace and work environment that responds to the needs of its employees.

# Workforce Health and Safety

3-3; 403-1; 403-2;  
403-3; 403-4; 403-6;  
403-7; 403-8; 403-9; 403-10



|                                   | 2021        | 2022         |
|-----------------------------------|-------------|--------------|
| Safe Man-Hours                    | 26,829,362* | 52,703,436** |
| Number of work-related injuries   | 69          | 255          |
| Number of work-related fatalities | 2           | 0            |
| Number of work-related ill health | 1,065*      | 409          |
| Number of safety drills           | 87*         | 89           |

\*Restated (2-4)

\*\*Data of all AGI subsidiaries, except Travellers

## Megaworld

Megaworld's Occupational Safety and Health (OSH) Policy focuses on maintaining a safe and healthy work environment across its supply chain. The Company is in the low-risk category relative to Occupational Safety and Health Assessment (OSHA) risk category. Risks include a decrease in productivity and healthcare financing for accidents and illness.

Safety Protocol Officers were assigned to each significant department and location to help address safety-related concerns and promote guidelines related to health and safety. With the onset of the coronavirus pandemic, an internal task force was also organized to specifically manage the COVID-19-related cases and concerns of the company since the pandemic.

A continuous review of OSH audits, monitoring, and reporting incidents of illness and accidents in the workplace is routinely done to acquire a more accurate representation of all recorded incidents of work-related accidents and ill-health for the reporting period.



## Emperador

Emperador is committed to conducting its business activities responsibly and conforms to the Occupational Health and Safety Policy of the Philippines. They consider the health and safety of their employees to be as important as business success. Emperador's subsidiary, EDI, shall lead the business in the continuous improvement of safety and health. To achieve their goal, they will:

- Respect the Occupational Health Safety and well-being of their employees, neighbors, and visitors
- Create mitigation plans for potential safety risks
- Comply with all local and applicable Health and Safety legislation.

Occupational health and safety standards at EDI shall apply to all places of employment. Non-compliance can revoke certain permits, which can affect the company. EDI always aims to achieve zero accidents by establishing written programs and guidelines that are aligned with DOLE OHS Standards. For the risk of infection from COVID-19, the company has established workplace prevention and control of the virus. Its scope includes employees' mental and physical welfare during the pandemic. EDI also implements the mitigation and management of workplace infection and is committed to workplace safety and health programs aligned with the existing standards and guidelines issued by Philippine

### Emperador Sta. Rosa plant leads in health and safety programs

Emperador focused on occupational health and safety programs and discussed employee health and wellness. EDI Sta Rosa facilitated a vaccination program for regular employees and their dependents who voluntarily would like to be protected and vaccinated against COVID-19. The plant's HR Team conducted a free wellness talk on HIV awareness, including voluntary HIV testing. Also conducted were PTB Dots Seminar facilitated by Sta. Rosa and Biñan LGU, Drug Awareness, and Hepatitis B Seminar both facilitated by the Company physician, and a Hypertension Awareness event targeted for employees with elevated blood pressure.

Another highlight of the EDI Sta. Rosa plant is its achievement of 1 million safe working hours for the year 2022. This means that no recordable incidents and fatalities related to unsafe work/acts occurred within the year, as well as fewer unsafe conditions and unsafe behaviors.



Regulatory Agencies. The company evaluates its KPIs monthly against goals and targets, including key successes and obstacles. In 2022, the company received no regulatory violations, and accidents and incidents were maintained on a low count and degree of severity.

In addition, as part of its Lingap Diwa Advocacy Program, the occupational health services of EDI's Biñan plant offer flexible work schedules, face masks, shields, vitamins, and mental health consultations. Meanwhile, the Santa Rosa plant follows government regulations and conducts a Hazard Identification and Risk Assessment and Determination Control (HIRADC) Program to identify work-related hazards.

For Emperador's international operations, Bodegas Fundador takes workplace safety seriously and maintains its own Prevention Service that is audited by an accredited body every three years. Pedro Domecq focuses on health and safety training and has established its Occupational Health and Safety (OHS) management system through training, Gemba walks, and Root Cause and Corrective Action (RCCA) analysis in case a situation related to the health and safety of workers occurs. At WMG, safety for all employees, workers, visitors, contractors, and local community members is a top priority, with strict adherence to regulations and regular visits from the UK Health & Safety Executive as part of the COMAH regulations.

## Travellers

The Company has an OSHE (Occupational Safety, Health, and Environment) Policy which guides the implementation of the OSH Program and commitments. Internal policies which are in accordance with government-mandated standards and protocols are in place, e.g., policies on Workplace Prevention and Control of COVID-19, Workplace Safety Management, TB Prevention, and Control, Smoke-Free workplace, and Annual Medical Examination, among others.

Travellers has a pool of DOLE-Accredited OSH Consultants and Practitioners as well as trained Safety Officers who are responsible in managing the OSH implementation under the guidance of the Management. The Company has allocated a budget for the OSH programs like training sessions, signages, and fire and life safety equipment. Employees who may have safety-related concerns can report directly to the SEPCU or through their immediate leaders.

The Management also tackles critical OSH concerns during the weekly OpsCom meeting. On the other hand, safety concerns among contractors are discussed during the weekly contractors' meetings and in the group chats.



## GADC

The company has an established McDonald's Workplace Safety and Health Policy which supports the overall implementation of the Workplace Safety and Health Management System. The Company has been implementing an Occupational Health and Management System aligned with McDonald's Global Safety Standards and the DOLE Occupational Safety and Health Standards. This was further strengthened in adherence to the DOLE DO No 198-18, the Implementing Rules and Regulations of Republic Act 11058 or An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof. Further, Management has signed a commitment statement to ensure everyone's safety and health and provide all necessary resources.

The company's Safety Officer 2 oversees the safety and health program implementation. For this year, 2022, the focus was on strengthening the safety and health organization in every restaurant and on the roles of its Safety Officer 2.

## Labor Law and Human Rights

With policies that explicitly disallow violations of labor laws and human rights in the workplace, AGI and its subsidiaries have **no legal actions or employee grievances** involving forced or child labor for 2022.

### Megaworld

The company stays true to its goal to adhere to the Labor Laws of the Philippines and to strengthen SDG 8: Decent Work and Economic Growth. Megaworld's consultation practices are given priority under all circumstances. Therefore, it is crucial to establish and foster a professional protocol when grievances arise. Employees are free to approach the HR department to communicate any problem concerning working conditions. A grievance committee is then selected to hear the cases filed and provide the right necessary solutions as quickly as possible. Because the company adheres to labor law and standards, it strives to provide solutions during this process. The HR department has efficiently developed a policy on grievances that keeps internal conversations rolling about how to improve and serve the needs of employers and employees effectively.

Effective labor-management relations help in achieving the Company's goals and objectives. This provides the organization a competitive advantage if issues arising from labor disputes are appropriately handled.



3-3  
402-1

### Emperador

Promoting and upholding human rights is an essential element in maintaining a business. Emperador complies with laws that prohibit child and forced labor. Its human resource personnel strictly adhere to these regulations during the employment stage to ensure that they follow the laws in the countries where they operate. This topic is monitored through whistleblowing reports, feedback, disputes, and recorded violations.

EDI is committed to generating decent jobs that provide a living wage for workers and employment opportunities in the nearby town of the manufacturing plant. It is also committed to promoting a fair and consistent implementation of labor law standards.

Progreen works closely with unions to ensure that worker concerns are considered. The company maintains ongoing coordination with Union officers and adheres to the signed Collective Bargaining Agreement (CBA) that includes notice periods, consultation, and negotiation before implementing any changes that could affect employees.



Trade Unions (TU) are also recognized in three of WMG's significant locations, covering employees through a collective bargaining agreement that includes a notice period of 12 weeks. Maintaining good relations with TU partners and local representatives is essential to gain support for implementing operational change initiatives and building trust with employees.



## Travellers

Travellers' target is to close levels 1 to 3 administrative cases within 15 days and Level 4 cases within 30 days. The Human Resources Department and the Legal and Corporate Affairs Department manage this concern. Employees may reach out to the Organizational Department unit of the Human Resources Department to air grievances.

There is no collective bargaining agreement because there is no union within Travellers.

## GADC

Labor Management relation sets the organization's formal or informal ground rules/ policies and procedures. This helps maintain peace and order and clarifies standards and expectations in case of conflict or grievances. Non-compliance on Labor laws and poor implementation of company policies may result in disputes and grievances, thus affecting the business and brand reputation.

Golden Arches has an RSC Manager leading the policy creation/ update, legal counsel, and committee being consulted before implementing any new / revised policy. The Organization also has a consulting group that guides and checks policy implementation on the ground. Moreover, Golden Arches has various communication avenues such as Employee Satisfaction Survey, Open Door, and One-on-One, and likes to air employees' concerns and issues.

| Subsidiary | References in the company policy that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace  |
|------------|---|
| Megaworld  | The organization complies with forced labor and child labor laws by conducting an auditing process that requires applicants to provide supporting documents that ensure that they are not underage for the job.   |
|            | <p>The company policy contains references that explicitly prohibit violations of labor laws and human rights. These references can be found in the following policies and programs:</p> <ul style="list-style-type: none"> <li>• Sexual Harassment</li> <li>• Policy for Supporting Breastfeeding Employees</li> <li>• Magna Carta</li> <li>• Family Welfare</li> <li>• Special Leave Benefits For Women Employees</li> <li>• Workplace policy and program on Hepatitis B</li> <li>• HIV/Aids Workplace Policy</li> </ul> <p>In Megaworld's Empire East, violations such as provoking quarrel, acts of intimidation and harassment among others are classified as very serious offenses that can be grounds for suspension and termination. This is listed in the Employee Code of Discipline, Parts II and IV.</p> |
| Travellers | <p>The company policy contains references that explicitly prohibit violations of labor laws and human rights. These references are in the following policies and programs:</p> <ul style="list-style-type: none"> <li>• LSOP No. HR/09/004 Sexual Harassment &amp; Unprofessional Conduct (June 2016)</li> <li>• Chapter 9.7 of Associate Handbook - Harassment-Free Workplace</li> <li>• Guarantee of Fair Treatment</li> <li>• Business Conduct Guide</li> <li>• Harassment Prevention in the Global Workplace for Non-Managers/Managers</li> <li>• Sexual Harassment Policy &amp; Anti - Harassment Policy</li> <li>• Hotel Code of Conduct and Code of Discipline</li> </ul>  |



| Subsidiary           | References in the company policy that explicitly disallow violations of labor laws and human rights (e.g. harassment, bullying) in the workplace   |
|----------------------|--|
| Emperador            |  |
| EDI                  | EDI is compliant with Philippine Laws that cover human rights, child labor, and forced labor; hence, the company is not obligated to operationalize the law into company policies to avoid redundancy.   |
| AWGI                 | The company adheres to anti-child and anti-forced labor laws by formulating policies that protect the young. Any violation may incur a penalty or non-monetary sanction that will definitely impact the business and its operations.   |
| Progreen             | The company maintains ongoing coordination with Union officers and adheres to the signed Collective Bargaining Agreement (CBA), which includes provisions for notice periods, consultation, and negotiation.   |
| GES Bodegas Fundador | The company's Code of Conduct cites policies on Forced Labor, Child Labor, and Human Rights. These policies demonstrate the company's commitment to upholding ethical principles and social responsibility.  |
| GES Pedro Domecq     | <p><b>Forced Labor:</b><br/>Under the Labor Federal Law in Mexico, it is established that every person has the right to be compensated accurately and in line with the activity they are performing</p> <p><b>Child Labor:</b><br/>Under the Labor Federal Law in Mexico, it is established that the minimum age to employ a person is 15 years old. However, the company does not employ people under 18 years old, and they take it from their code of business conduct</p> <p><b>Human Rights:</b><br/>The company's Code of Business Conduct cites policies on human rights.</p>   |
| WMG                  | <p><b>Forced Labor:</b><br/>WMG commits to developing and adopting a proactive approach to tackling hidden labor exploitation. This Policy (which shall work in conjunction with the company's Modern Slavery and Human Trafficking Statement and Whistleblowing Policy) shall be implemented for the purposes of assisting the company in identifying and preventing any hidden labor exploitation within its workforce.</p> <p><b>Human Rights:</b><br/>It is unlawful under the Equality Act 2010 to harass a person because of their age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, color, nationality, ethnic or national origin, religion or belief, sex or sexual orientation. This also includes the conduct of a sexual nature (sexual harassment). It is equally unacceptable for an employee to harass a colleague because they associate with someone of a particular race, religion, sexual orientation, age, etc.</p> <p>In addition, the company monitors the age of all employees and reviews such details before an offer of employment is issued. Currently, their youngest employee is 20 years of age. WMG also reviews and publishes the Modern Slavery and Human Trafficking Statement on its corporate websites each year. This states the responsibilities, commitment, and actions to prevent such exploitation within their supply chain and business in general. In 2021, they incorporated a statement of commitment into the terms of all new supplier agreements to prevent hidden labor exploitation. This management approach is evaluated through whistleblowing reports, feedback, and disputes.</p> |
| GADC                 | <p><b>Forced Labor:</b></p> <p>The company's Prevention of Violence in the Workplace Policy contains references that specifically forbid abuses of labor laws and human rights, including forced labor.</p>  |





# Community and Consumers

## Ensuring Consumer Safety

Health and Safety for customers are priorities to AGI and its subsidiaries. The company ensures the well-being of its customers is followed at all sites through compliance with health measures and provisions as mandated by the government. Where applicable, transactions and customer payments were digitized to reduce contact and risk of Covid-19 transmission. AGI also focuses on food safety topics for its quick-service restaurant, and beverage businesses, and employs cybersecurity measures to avoid digital threats to customer data and information.

## Food safety leadership

In the quick-service restaurant business, which is under Golden Arches, food safety leadership and food safety culture must be adhered to in all establishments. Food safety is upheld through regular third-party safety audits and food safety alignment with operations and certifying bodies.

For employees, food safety training is a regular part of the operations and food safety week to uphold a food safety culture. Golden Arches' food safety culture even extends to suppliers who should also be aligned with the business standards on food. All of these result in consistent, safe, and quality products for customers.

For EDI, products must be registered with the Food and Drug Administration (FDA) before they can be distributed or sold to customers and consumers. This applies to both sourcing raw materials/ingredients in the manufacturing process. EDI has also already obtained a Good Manufacturing Practice (GMP) Certificate with the FDA for their Biñan plant and had the GMP certificate recently approved for the Santa Rosa plant. The production plants have policies in place to ensure that they produce high-quality products that are safe to be consumed by their consumers. EDI also has a Quality Assurance department in their production plants to assess whether all products are manufactured according to their standards and policies.

3-3; 416-1



## Digitalization

Megaworld strategically prioritized digitalization initiatives, specifically targeting the finance and financial reporting arena as well as equipment and machinery management. By leveraging software solutions like SAP (Systems, Applications, and Products) - an enterprise resource planning (ERP) software, Prism, Flex, and BIM, Megaworld enhanced its operational efficiency in financial processes and reporting, mitigating the risk of errors stemming from manual inputs. Furthermore, the implementation of these software solutions streamlined equipment and machinery operability and facilitated better maintenance monitoring, further optimizing operational efficiency.

Megaworld's subsidiary, Empire East, adapted to the pandemic-induced shift in customer preferences by creating online client/buyer portals for more efficient transactions and a central customer grievance bank where complaints may be formally filed, evaluated, and acted upon. In addition, the company also campaigned for herd immunity and implemented virtual walkthroughs and digital project presentations to prioritize the health and safety of their homebuyers.

GERI, like Empire East, also created a digitalized client management portal to address various concerns related to their properties, including payments, paperwork and contracts, properties, turnover, and move-in. The company has also provided a way for members to provide feedback, showing their commitment to ensuring customer satisfaction. In addition, GERI is also implementing Project NOAH - an Information Technology Implementation and Digitalization Initiative that will drive the migration to their new Computerized Accounting System (CAS). The on-going implementation of CAS will result to faster processing and generation of financial data.



# Data Privacy and Security

Megaworld values the trust of its customers, and safeguarding against this violation of trust is crucial for the business. The organization gathers and processes a significant amount of data from clients, partners, and vendors. As such, compliance with the requirements of the National Privacy Commission (NPC) and Data Privacy Act (DPA) is observed and implemented to ensure that necessary and relevant measures to safeguard this information are kept. Regular reviews and impact assessments are conducted to identify compliance with the company's requirements.

For Emperor, this topic is relevant for legal compliance and as part of the corporate responsibility to respect and protect the personal information entrusted by EDI's stakeholders. The company has elected a data protection officer and compliance officer to ensure customers' data privacy. They evaluate their management approach based on audits and risk assessment exercises. Existing manuals are in place that outline the mechanisms to air grievances. The company is scheduled to audit the manual this year, as well as to conduct vulnerability and penetration testing of their systems.

3-3; 418-1



|  |   |
|--|---|
| Number of complaints received from outside parties and substantiated by the organization | 0 |
| Complaints from regulatory bodies  | 0 |
| Total number of identified leaks, thefts, or losses of customer data                     | 0 |

Golden Arches manages customer information through the McDelivery Service. The customer information, including name, contact information, and address, is essential to complete the food delivery service our restaurants provide. GADC, through its Infrastructure Technology Security team, conducts regular Vulnerability Assessment and Penetration Testing services with an accredited third party. GADC also appointed a Data Privacy Officer who oversees the data privacy compliance of the organization.

## Emperor conducts Digital Safety seminars and training

Emperor conducted a data privacy seminar and a privacy impact assessment orientation in partnership with the National Privacy Commission. The data privacy seminar intends to raise awareness among employees about the provisions of the Data Privacy Act of 2012.

Emperor also conducted an email phishing attack exercise with P&A Grant Thornton. The exercise simulated phishing attacks on 351 company email addresses.



# Community Impact

3-3; 413-1; 413-2



The Company gives back to the community through investing in CSR activities that uplift lives, protect the environment, and strengthen the Company's connection to its customers. AGI's Corporate Social Responsibility projects continued in 2022 through the group's different foundations headed by its subsidiaries (Megaworld Foundation and Ronald McDonald House Charities) and through various Company-initiated programs.



## Megaworld

Megaworld conducted a beach clean-up drive and outreach activities for its communities. Megaworld also partnered with the DENR for its sea turtle nesting project, which protected 135 sea turtle eggs.

Megaworld Foundation, the socio-civic arm of Megaworld, has been offering scholarships since 1999 and has programs on environmental care, charitable causes, and local cultural promotions.

Megaworld Foundation continued its partnerships with different schools and organizations for education and scholarship programs and conducted livelihood enhancement projects targeting low-income communities and indigenous weavers in Lake Sebu. They also had relief operations where they gave food and slippers.

In the area of health, the Foundation initiated MegaClinics, wherein medical equipment and supplies were donated to urban clinics in need. This activity served pregnant women, children, and the elderly.

This 2022, Megaworld Foundation celebrated its 25th year anniversary, proving the continuous community support the Company has given through the years.

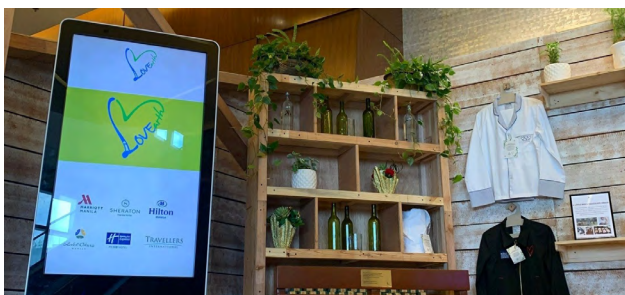
In addition, Megaworld's Empire East is committed to giving back to communities, and this year, their Credit and Collection Department and General Administrative Services Department organized feeding programs, distributing food packs, rice, toys, and slippers to families and kids

## Emperador

The Emperador group actively participated in the celebration of the United Nations declaration of the year 2022 as the International Year of the Glass by providing a resource speaker for a glass manufacturing webinar series for engineering students dubbed as Glass-Is-Cool. They also sponsored science, technology, and management-related training sessions to equip selected students in surrounding communities with skills needed to succeed in the future.

## Travellers

Under the ILoveEarth program of Travellers, employees are encouraged to join and volunteer in the different community-related projects of NWR.



in marginalized areas in Capisan, Zamboanga City and nutritious meals to pre-school students in Brgy. Joson, Nueva Ecija City. Empire East also donated toilets, dippers, and pails to a school in Sta. Maria, Laguna. Through this project, Empire East is helping to educate families on hygiene and sanitation and improving sanitation in the local community.

GERI conducted a tree planting event at its Pahara Project in GMA Cavite for the benefit of the subdivision residents. The trees planted will provide residents with shade and cooler temperatures as well as add color and beauty to their surroundings. Additionally, the Company donated garbage bins made from used tires from different project sites to the Carmona Elementary School. By designing the repurposed bins as a cartoon character, the project encouraged children to dispose of their garbage properly. Lastly, a clean-up drive in Calayo Beach in Nasugbu Batangas was done, benefitting communities and residents in Calayo and nearby Barangay. The event was conducted to create awareness among the residents of the importance of waste management and maintaining cleanliness in the area.

## GADC

Ronald McDonald House Charities (RMHC) leads the community initiatives of GADC. Its program, Ronald McDonald Bahay Bulilit, builds learning centers in areas where they are most needed. Ronald McDonald Read to Learn teaches beginning readers in different public schools in the Philippines. The Kindness Kitchen responds to the COVID-19 pandemic, serving meals to marginalized communities and disaster-affected communities.

For 2022, RMCH provided 22 Read to learn kits for 21 public elementary schools and one city library. All 36 existing Ronald McDonald Bahay Bulilit learning centers already conducted face-to-face activities during the last quarter of the year. A total of 221,703 Kindness Kitchen meals were served.

The McDonald's Stripes Run aimed at raising funds and awareness for children's literacy is also held annually. Close to 4,000 runners registered this 2022 and all proceeds from the run went to RMHC Read to Learn program.



# Environmental Performance



## Waste and Resource Efficiency (EFFICIENCY)

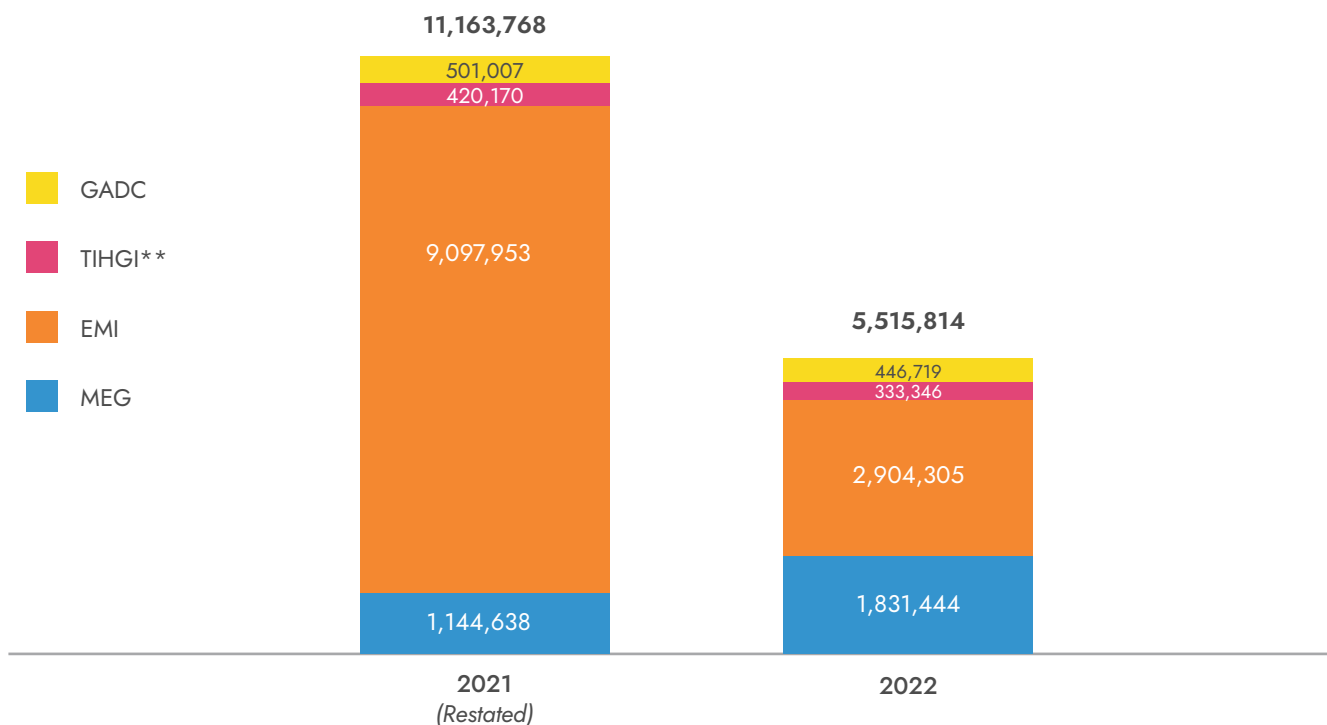
### Energy Use

3-3; 302-1

In 2022, there is a significant decrease in energy consumption for AGI and its subsidiaries. This decrease can be attributed to Emperor's Progreen's major shift to renewable energy sources from non-renewable ones, specifically the efficient use of biogas and bagasse instead of non-renewable coal. As a result, the company reported reduced coal consumption as they have maximized using methane and bagasse for their operations.

Furthermore, AGI and its subsidiaries updated their calculation method to provide accurate values for 2021. Therefore, the Group's total energy usage for 2021 is revised from 22,121,873 GJ to 11,163,768 GJ.

#### Total energy consumption per AGI subsidiary\* 2021-2022 (in GJ)



\*AGI and its subsidiaries updated their calculation method to provide accurate values for 2021. As a result, the Group's 2021 total energy consumption is restated for this year's report. (2-4)

\*\*This is an estimated total energy consumption of Travellers, Sheraton, Marriott, Hilton, HIEx, and Hotel Okura.

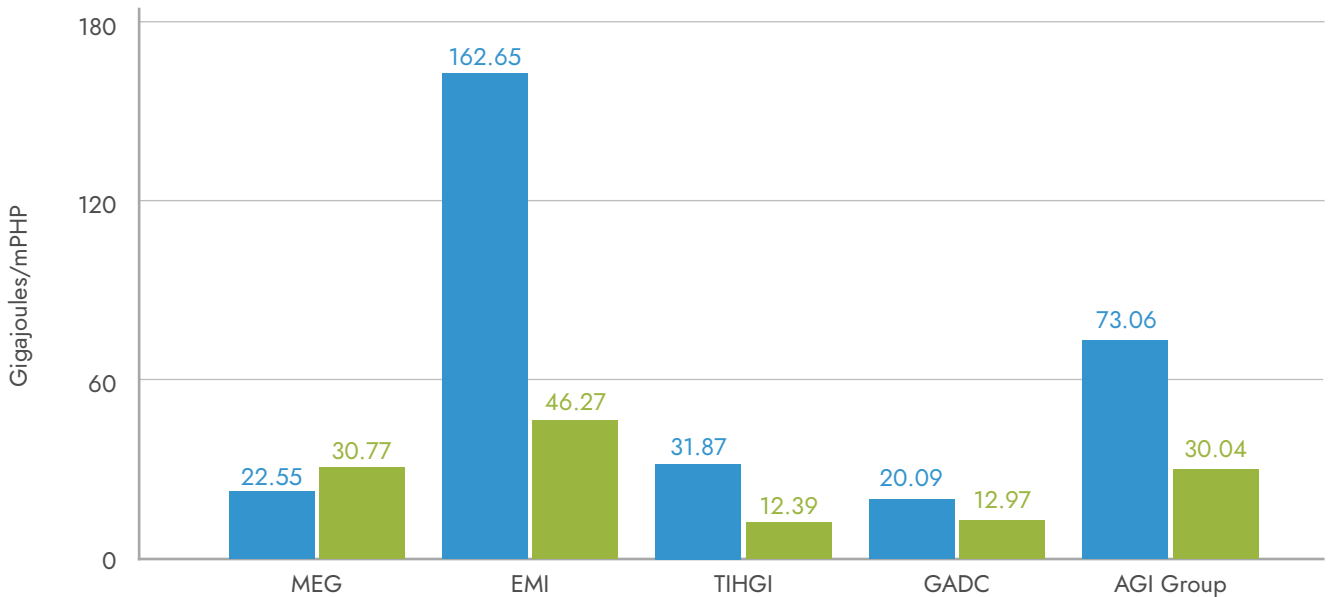


AGI needs energy in the form of electricity, gas, diesel, natural gas, biogas, and solar power for its diverse businesses spanning property development, food, and beverage manufacturing and distribution, quick-service restaurants, integrated tourism development, and infrastructure development. It uses gasoline and natural gas for furnaces, boilers, turbines, refrigeration processes, diesel for generators, owned transportation, and biogas from sugarcane bagasse. It also purchases its electricity from the grid for its day-to-day operations.

### Energy intensity within the organization 302-3

AGI group and subsidiaries energy intensity (2021-2022) (in GJ/mPHP)

2021 2022



### Reduction of energy consumption 302-4

Energy efficiency is a priority of AGI under its climate action thrust, as more efficient consumption in this area abates greenhouse gas emissions. To achieve energy efficiency, AGI utilizes solar power as a renewable energy adaptation measure, employs green building practices, and adapts improvements in manufacturing and operation processes.

Emperador’s AWGI initiated the installation of a 2-megawatt peak (MWp) solar photovoltaic (PV) system on the rooftops of its production building and internal warehouses. Their use of solar power will provide clean and renewable energy for its glass manufacturing plant in Silangan Industrial Estate, Canlubang, Calamba, Laguna. AWGI also replaced 91 conventional perimeter lights with solar-powered ones, shifting 90% of all perimeter lights to renewable energy. Moreover, the glass-producing company also converted one unit of its drive system for mold cooling blowers of glass-

forming machines into Variable Frequency Drive. This shift lessens the overall annual electricity consumption of AWGI by around 2-3% from one unit.

The EDI Biñan plant, also under Emperador, optimized its equipment and machine by utilization of variable speed drives to achieve energy efficiency from 81.83% in 2021 to 85.10% in 2022. About 85% of the plant’s lighting system has also been converted to LED.

Emperador plants that are outside the country have energy efficiency measures as well. The Tomelloso Distillery replaced their lighting fixtures outside and inside warehouses with LED. Through this, they reduce 20,000 kWh per year. Furthermore, since April 2022, all WMG distilleries and bottling sites at EDC and Grangemouth have been powered by carbon-neutral electricity. In addition, Bodegas Fundador



has reduced its energy consumption consecutively since 2021 by 7,155 GJ and in 2022 by 13,944 GJ through biogas.

Megaworld Hotel and Resort is also committed to energy efficiency. Its properties are equipped with climate control systems that effectively reduce electricity costs and produce lesser emissions through controlled energy use. The company invested in a Chiller Optimization system in Uptown Mall, which helped reduce electricity consumption by 266,992.4 kWh in 2022. Asia Affinity, a subsidiary of Megaworld, conducted an operational fine-tuning wherein adjustments in lighting, AC systems, fans, and blowers were made to be able to conserve energy. Asia Affinity also optimized its test run duration of 35 generator sets across all Company properties.

Under its ILoveEarth campaign, Travellers installed solar panels at Newport World Resorts (NWR), particularly Hotel Okura Manila, Marriott Grand Ballroom, and Newport Mall. With 24/7 operations, installation of the solar panels began in 2022 to ensure that part of NWR's power supply comes from renewable sources.

Other subsidiaries continue to monitor and analyze their energy consumption and overall environmental impact annually to track trends, understand outcomes, and provide guidance to meet the targets of the UN Sustainable Development Goals and the Paris Agreement, which aims to avoid threats of climate change by limiting the global rise in temperature to 2°C above pre-industrial levels while pursuing efforts to limit it to 1.5°C.

| Subsidiary | Energy Reduction Initiatives   |
|------------|--|
| Megaworld  | <p>The organization has recorded a reduction in electricity consumption amounting to 961.17 GJ as a result of existing factors such as Chiller Optimization Savings through the installation of the fiber-reinforced plastic blade for cooling towers, operations optimization, proper maintenance of facilities and equipment, and conversion to LED lighting systems.</p> <p>Moreover, the organization decreased gasoline consumption by 86 GJ in 2022. This can be attributed to the cessation of operations of Empire East's Laguna BelAir Science School.</p>  |
| Emperador  | <p>Bodegas Fundador has reduced its energy consumption consecutively since 2021 by 7,155 GJ and in 2022 by 13,944 GJ through the use of biogas. Progreen's Balayan plant was able to reduce its energy consumption due to the efficient use of biogas and bagasse as well and this year these reduction initiatives resulted in savings amounting to Php 12,862,990.05.</p> <p>Pedro Domecq and AWGI achieved a reduction of 29,492 kWh in electricity consumption through the use of solar photovoltaic energy. AWGI also continually recycles cullet as a raw material to lessen the amount of energy required to produce glass, other fuel-saving programs, and energy management system standards alignment. WMG recorded an energy ratio of 18.58 MJ of energy per liter of alcohol produced in 2022, which is a reduction compared to the 19.54 MJ of energy per liter of alcohol produced recorded in 2021. This displays a reduction in the consumption of heating fuels used in the production process due to conservation and efficiency initiatives. EDI Santa Rosa plant had a reduction in energy consumption amounting to 150,500 kWh through the implementation of energy- and fuel-saving programs and optimization of operations.</p> |
| Travellers | <p>In 2022, none of the hotels observed a reduction in energy consumption, which may be attributed to an increase in business operations following the pandemic and travel restrictions.</p>   |
| GADC       | <p>GADC observed a total electricity reduction of 38,575.72 GJ due to their use of solar LED lamp posts, LED lights, and Variable Refrigerant Flow (VRF) air-conditioning system.</p>  |

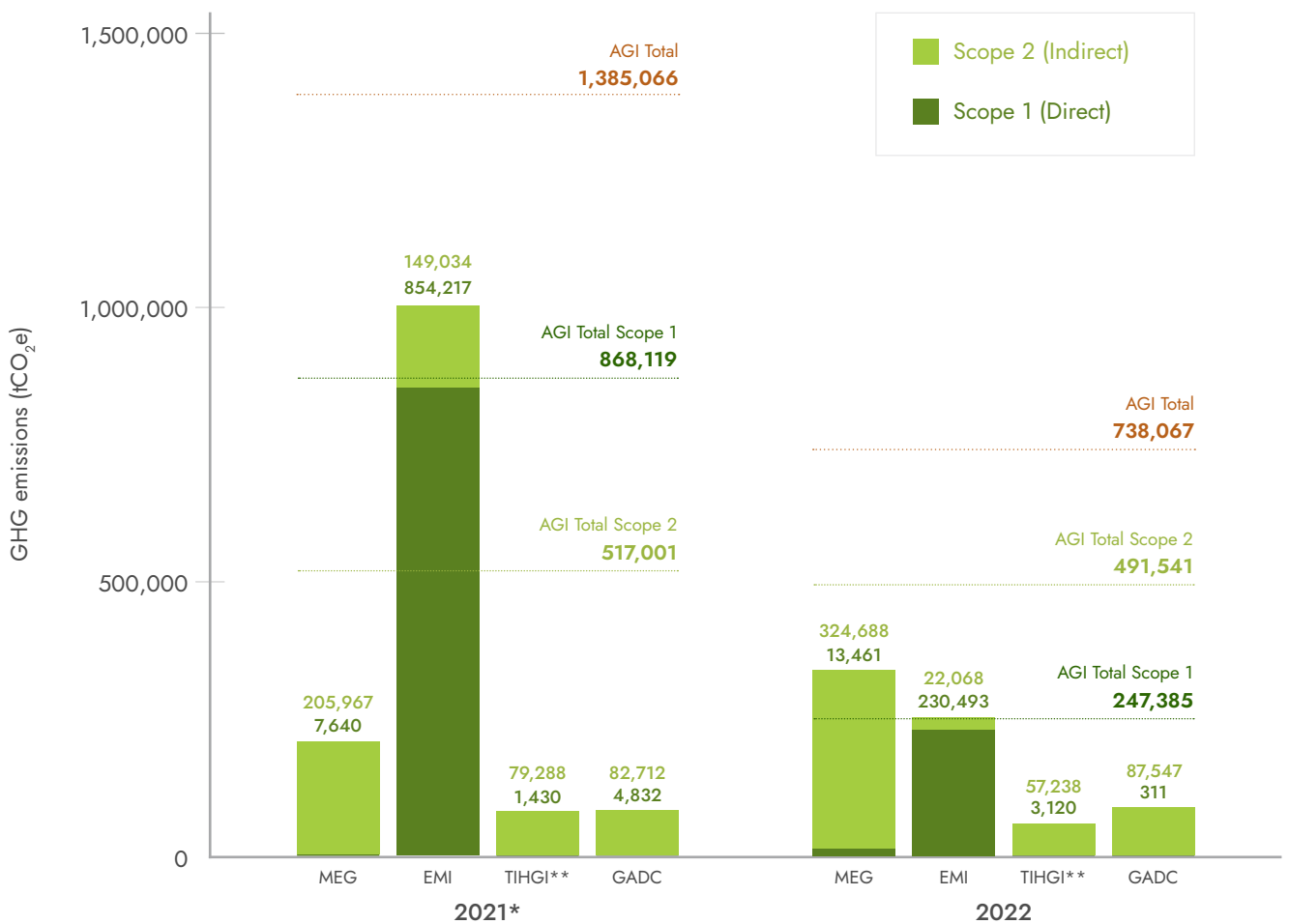


# Greenhouse Gas Emissions

3-3; 305-1  
305-2; 305-3; 305-4

The company’s direct (scope 1) emissions are derived from various sources, such as the use of gasoline, LPG, diesel, natural gas, and biogas for a range of purposes including the operation of boilers, furnaces, turbines, generator sets, refrigeration processes and, use of owned transportation. These emissions are associated with the company’s diverse businesses, which include property development, food, and beverage manufacturing and distribution, quick-service restaurants, integrated tourism development, and infrastructure development. Most of the company’s GHG emissions are indirect (scope 2) emissions resulting from using purchased electricity from the grid.

## Scope 1 emissions and Scope 2 emissions of AGI subsidiaries (2021-2022)



\*AGI and subsidiaries updated its calculation method to provide accurate values for 2021. As a result, 2021 Direct (Scope 1) emissions are restated for this year’s report. (2-4)

\*\*This is the estimated GHG Direct (Scope 1) emissions of Travellers, Sheraton, Marriott, Hilton, HlEx, and Hotel Okura.

Given the company’s significant GHG emissions, AGI has set an ambitious target of becoming carbon neutral by 2035. The AGI Group is implementing different strategies to be able to reach the target.

Emperador Group continues to recycle cullet as a raw material in glass bottle production. As a result, manufacturing a new glass bottle requires less energy to melt than virgin raw materials. Aside from this, its Balayan and Nasugbu distillery plants reduce GHG emissions into the atmosphere by capturing raw CO<sub>2</sub> gas and processing it into liquidized CO<sub>2</sub>. In addition, they invested in an Anaerobic Digester, which reduces wastewater while generating a valuable byproduct, biogas. The plant uses the biogas produced through this process as a renewable energy source.



Additionally, Emperor’s energy efficiency programs are anchored on using natural lighting, natural ventilation, renewable energy, light-emitting diode (LED) bulbs, and transitioning from fossil fuels to renewable fuel sources such as biomass and liquid biofuels. An ongoing process, the Emperor group aims to incorporate these in the global design of the existing and upcoming facilities, all of which reduce carbon emissions and lower energy consumption.

The Property Development Division engineers of Megaworld’s Empire East have also converted the lighting system of their properties’ common areas to LED, enhancing the building’s energy efficiency. Currently, 57% of lighting systems in streets, hallways, lobbies, clubhouses, parking, perimeter garden, roof decks, and machine rooms are already converted to LED lighting.

Megaworld’s GERI also keeps abreast of the trends and developments in carbon reduction measures through constant updates and attendance at summits and national forums. In 2022, they installed solar lights in selected open spaces of their developments. GERI also undertook the replacement of 1300 CFL bulbs with LED bulbs in hallways, parking, and other common areas. In office spaces, the GERI promotes “Daily Earth Hour,” wherein employees turn off lights during break time for an hour. These initiatives strive to promote energy conservation, resource efficiency, and reduced carbon emissions.

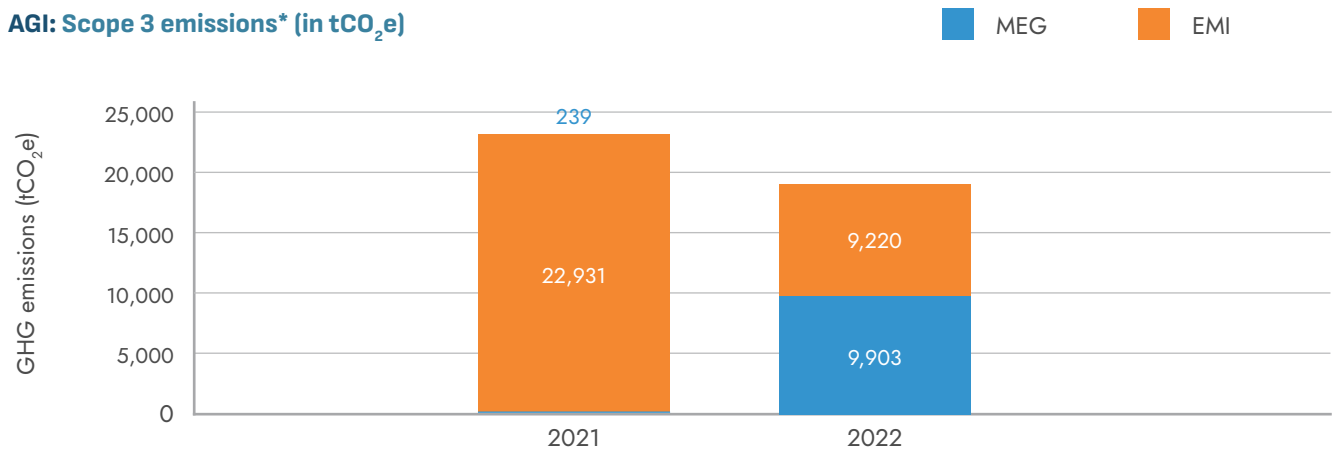
In 2022, AGI experienced a substantial decrease in total energy consumption due to the major switch of Emperor’s Progreen to renewable energy sources in their plant operations, specifically biogas, instead of non-renewable coal. As a result, AGI experienced a significant reduction in Scope 1 emissions by 72%.

Megaworld reported increased electricity consumption due to the inclusion of six (6) properties. This resulted in a significant increase in Scope 2 emissions, as shown in the table above, which implies that it is working to boost its transparency in reporting.

AGI recognizes the importance of taking a comprehensive approach to emissions reduction, including reducing both Scope 1 and Scope 2 emissions. While EMI Progreen’s shift to renewable energy has positively affected the entire Group’s performance, further efforts should be implemented to reduce the Group’s overall carbon footprint by 2035.

Other subsidiaries continue to analyze their GHG emissions and establish annual targets to reduce the impact of AGI’s business activities on the environment. As part of this, AGI and its subsidiaries reevaluated their Direct (Scope 1) emissions this year using updated calculation methods. In addition, by routinely examining and upgrading its computation techniques, the company can accurately track and report its emissions, identify areas for improvement, and get closer to a carbon-neutral future. AGI is also committed to implementing strategies to reduce emissions in its operations and supply chains to acquire competitive advantages over time.

**AGI: Scope 3 emissions\* (in tCO<sub>2</sub>e)**



\*Megaworld - EELHI and Emperor data only



The group has also incorporated its historical data for Scope 3 emissions for 2021-2022 data which includes upstream and downstream operations from Empire East, under Megaworld, as well as Emperor, Inc. The group is working towards obtaining data for all subsidiaries in the following years.





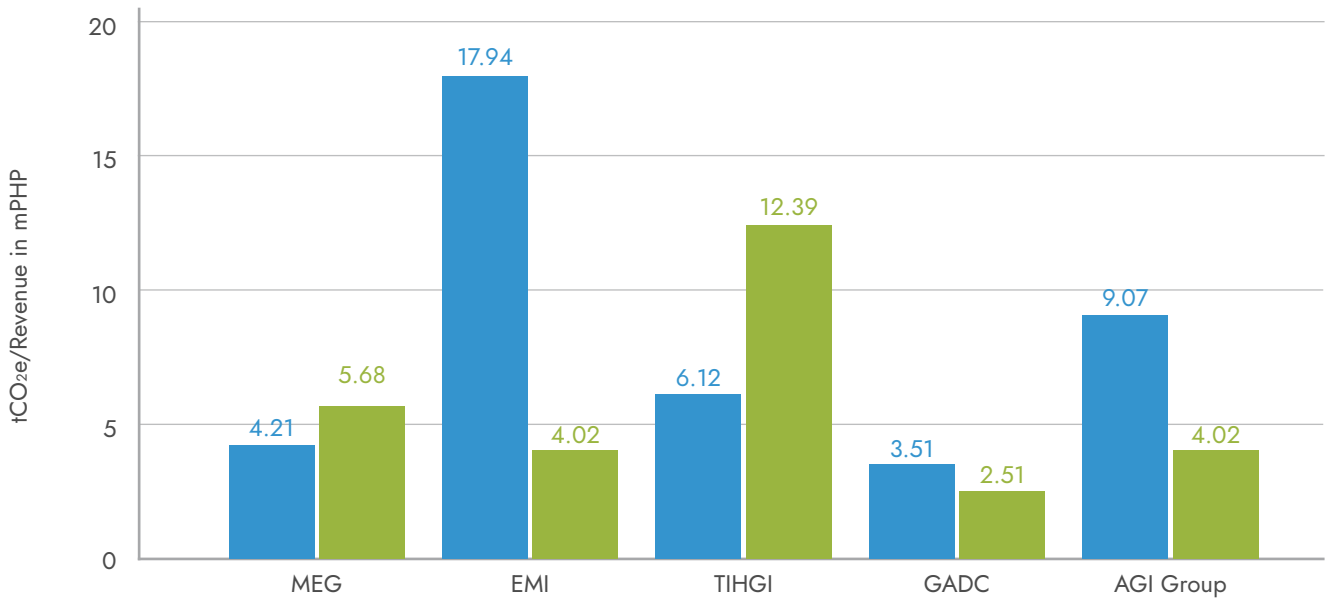
Emperador's Anaerobic Digester reduces wastewater while generating biogas. The plant uses the biogas produced through this process as a renewable energy source.



Empire East Property Development Division converted 57% of lighting systems in streets, hallways, lobbies, clubhouses, parking, perimeter garden, roof decks, and machine rooms to LED lighting.

AGI group and subsidiaries GHG Emissions Intensity (Scope 1 and Scope 2)

2021 2022





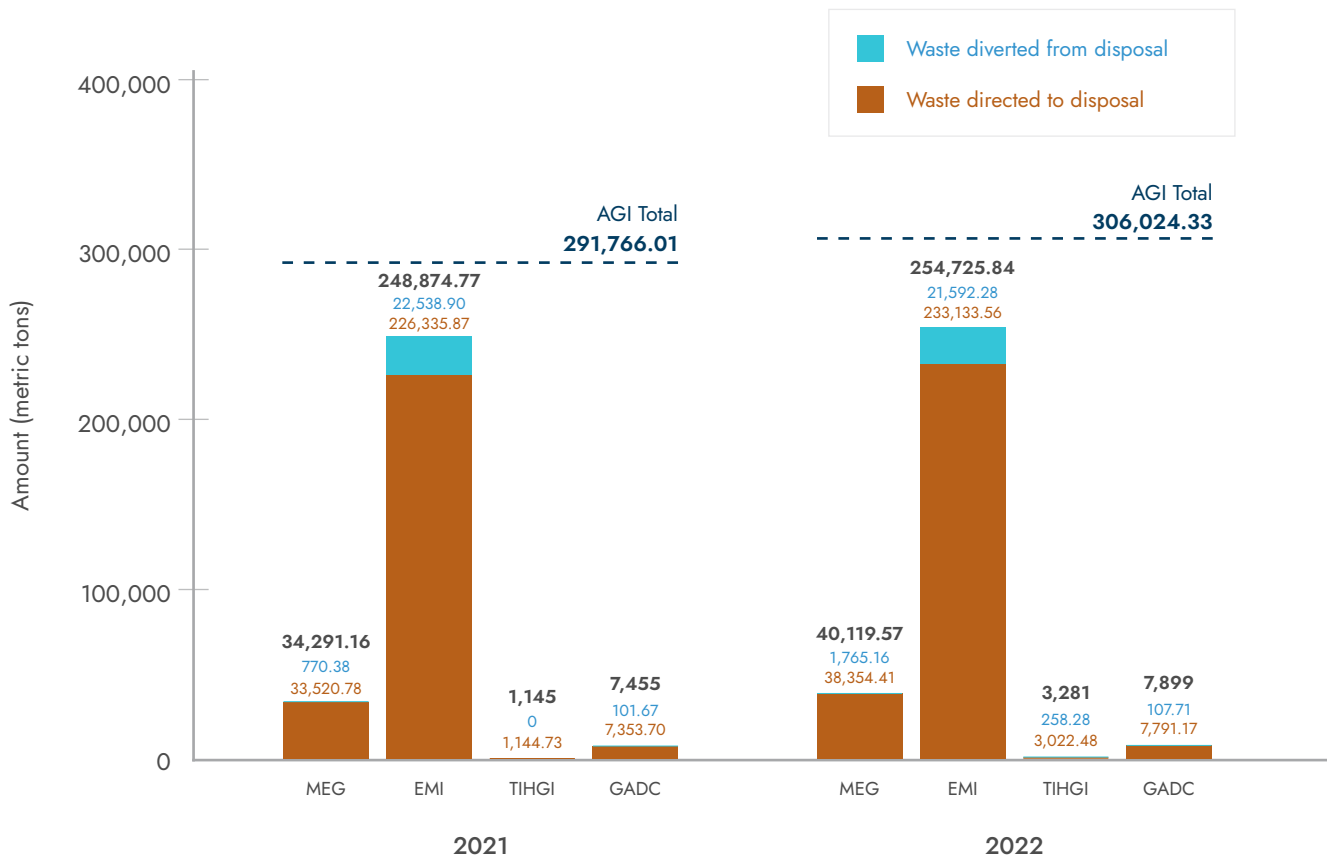
# Waste Management

3-3; 306-1; 306-2  
306-3; 306-4; 306-5

On managing wastes, AGI’s recycling programs are focused on responsible plastic use and the strategic recycling of materials. The Group predominantly uses recyclable and reusable materials for its products, such as glass bottles, fiber boxes, and paper labels.

Measures conducted by AGI and its subsidiaries to minimize waste generation include: (1) prohibition of the use of single-use plastic bags; (2) reduction in the use of plastic bottles in hotel operations; (3) practice of segregation of waste; and (4) conduct of regular recycling drives. Regular wastes are collected by a private third-party service provider while hazardous wastes are collected, transported, and treated by DENR-accredited hazardous waste transporters and treaters.

## Waste management breakdown (2021-2022)

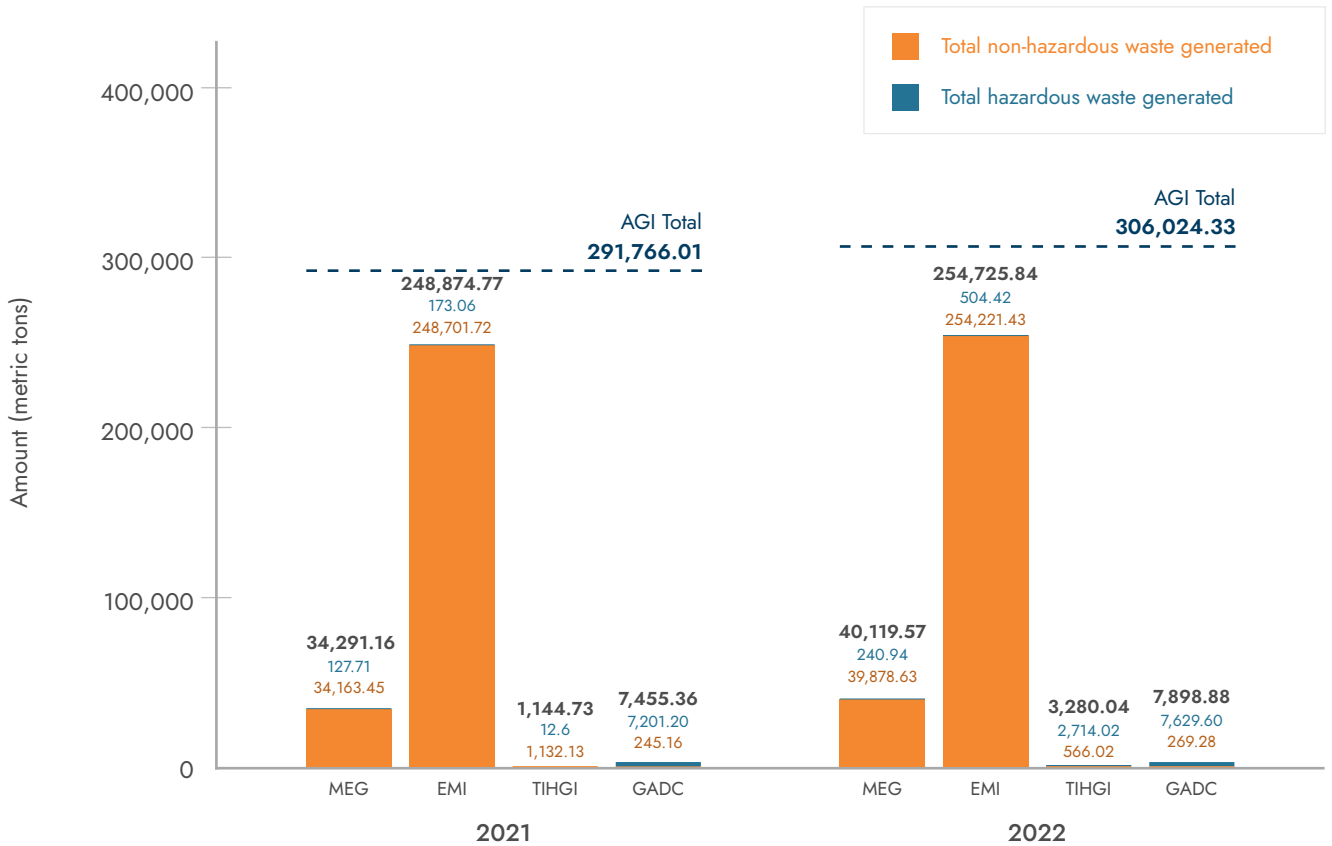


### AGI (Total in metric tons)

|                              |            |            |
|------------------------------|------------|------------|
| Waste diverted from disposal | 23,410.94  | 23,723.43  |
| Waste directed to disposal   | 268,335.07 | 282,301.62 |



**Waste distribution: Non-hazardous waste vs. hazardous waste (2021-2022) (in metric tons)**



**AGI (Total in metric tons)**

|                               |            |            |
|-------------------------------|------------|------------|
| Non-hazardous waste generated | 284,251.46 | 294,935.35 |
| Hazardous waste generated     | 7,514.56   | 11,088.97  |

*\*AGI, and its subsidiaries recalculated their 2021 waste data to provide accurate values for 2021. Consequently, the Group's 2021 total non-hazardous waste and hazardous waste, except Travellers, are restated for this year's report. (2-4)*

Travellers 2021 waste data is an estimation of Travellers, Hilton, Sheraton, and Marriott hotels data only and GADC's overall waste data is estimated for 353 and 374 Mcopco and JV stores in 2021 and 2022, respectively, for 365 days only. As a result, the company's total non-hazardous waste and hazardous waste are approximations only and may not provide an entirely accurate picture of the organization's waste data and management practices. However, the group is committed to enhancing its waste data reporting and other environmental disclosures. As part of this, AGI, and its subsidiaries recalculated their 2021 waste data to provide accurate values for 2021. Consequently, the Group's 2021 total non-hazardous waste and hazardous waste, except Travellers, are restated for this year's report.



The digitization of internal and external processes and transactions were implemented across AGI businesses allowing the Companies within the Group to go paperless and reduce their waste this 2022. Megaworld specifically led this effort: operations utilized new software for efficiency and accuracy in process and reporting; Empire East, a Megaworld subsidiary, switched to online transactions for form applications and payments. GERI's switch to paperless transactions resulted in at least 5% decrease in paper usage for the year. Megaworld and its subsidiaries also improved its customer experience platforms by transitioning to paperless communication via the use of a digital device (tablet) during turnover orientation.



In addition, Megaworld continued its collaboration with Plastic Credit Exchange, a non-profit organization that promotes plastic aggregation and collects all types of plastic for reallocation to partner plastic recyclers for plastic credit certificates. Additionally, Megaworld started a trash-to-cashback program in partnership with BEST. The cashback program focuses on recycling paper, cartons, plastics, and metals. Some 14.5 metric tons of recyclables were exchanged in 2022. The Company also implemented the Lesser Plastics for Tomorrow, which repurposed bamboo as keycards, collaterals, and signages.

Empire East also works with contractors who implement proper solid waste disposal through accredited haulers on a regular basis. They sell construction wastes such as scrap metals and office wastes to third-party buyers for processing and recycling. For GERI, the goal is to reduce all construction waste and utilize it productively during project operations. GERI is looking into partnering with other agencies to do smart ways to reduce, recycle, and eliminate waste into the best available programs in addition to the 5% reduction of its total solid waste generation. The company is also considering redesigning its master-planned blueprints for the future to include sustainable living. All of these cuts will be implemented as part of GERI's key results area by 2023.

For Emperor, its EDI Biñan's waste reduction program includes: (1) recycling and reusing production wastes, (2) recycling and reusing waste at offices, and (3) exploration of new waste that can be recycled, such as plastic liners.

Through these efforts, residual waste to landfill disposal was maintained at less than 1% in 2022; some 443,881 cases of 2nd hand bottles were utilized for production; about 2.7 MT of paper waste was collected and recycled from offices; and, about 13.5 MT of plastic liners were recycled.

At Emperor's Progreen, the distillery operation generates a large amount of liquid and solid waste that must be managed and disposed of properly to prevent negative impacts on people and the environment. While waste management is crucial for compliance, it also presents a potential financial risk due to the high costs of proper disposal. To manage waste generation, Progreen implements waste segregation and a supplier return policy, as well as a bargaining operation and fertilization program for discharging waste.

Emperor's Pedro Domecq purchases dry and wet goods in precise quantities and reduces material scraps to minimize waste-related impacts. The company has also improved its laboratory processes to minimize liquid waste. To manage waste effectively, Pedro Domecq works with a supplier that controls and manages the residues, providing the company with documentation detailing the type and quantity of waste treated.

Travellers have a well-established waste management system. Through their process, they comply with local environmental laws on waste handling and disposal and submit mandatory reports related to waste generation. Maintenance checks are done regularly to extend the lifespan of their equipment and reuse parts of equipment that can still be utilized.

## Travellers strengthen their Environmental initiatives through the ILoveEarth Program

Travellers, under the ILoveEarth Program Environment Pillar, expanded their partnership with ABS-CBN Foundation for their Bantay Langis, Bantay Baterya, and Waste Electrical and Electronic Equipment programs. Through the partnership with ABS-CBN Foundation, the Company was able to donate used oils, batteries, and electrical/electronic wastes to ensure proper and safe handling of hazardous components, while useful components are recycled and repurposed by third-party partners. Funds raised from these donations go to the social welfare programs of the ABS-CBN Foundation, while the company gets tax credits.

Travellers also has the Reform, Reduce, Resume, Recycle, wherein plastic bottles were eliminated from hotel rooms and banquet facilities. On-site bottling facilities now supply bottled drinking water. Additionally, Travellers is eliminating its use of single-use plastics by supplying hotel bathroom amenities in bulk instead of single packages. Eco-friendly packaging for takeaways is now being used in banquet halls. Other waste reduction practices of the hotel and gaming group include the repurposing of discarded linens into pajamas, kitchen towels, and decorations; repurposing of used pool towels, bed sheets, banquet table cloths, napkins, and uniforms; and the conversion of food scraps into candies, organic cleaning solutions, and compost.



ILoveEarth ensures that the company's sustainability efforts are monitored and measured. To validate the impact of these efforts, the Company engaged with EarthCheck for benchmarking and certification. Travellers acquired Bronze Benchmarked Status with EarthCheck's onsite audit this 2022.

The AGI Group continue to understand their waste footprint in their own operations and supply chain through improved inventory management. They collaborate with contractors who use accredited haulers to properly dispose of solid and hazardous waste on a regular basis to ensure proper handling and disposal, protecting the environment and communities where we operate.

Golden Arches generates solid and hazardous wastes that can possibly cause harmful environmental and health impacts. These can be controlled through the sustainability efforts of the company, collaboration with the local government units, and guidance of the laws and regulations of the jurisdictions within the store. Additionally, through the Zeroing Plastic usage-global roadmap of Mcdonald's, Golden Arches is slowly removing/reducing the use of its plastic footprint.

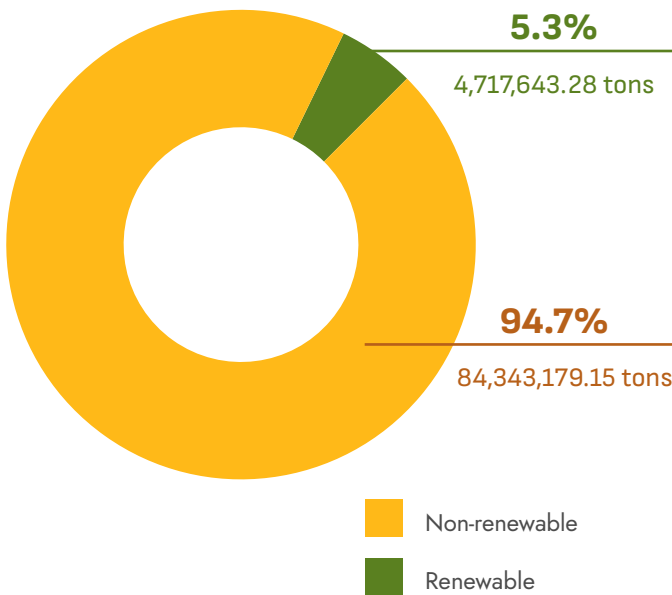


## Materials

3-3; 301-1

The AGI Group use both non-renewable and renewable materials for their diverse and large-scale operations. Megaworld and Travellers use various construction materials and building systems for their extensive property development projects including residential, commercial, office developments, educational/training components, multi-cluster condominium projects, multi-phase subdivision, privately-operated gaming facilities with hotel, retail, dining, entertainment, and other leisure amenities.

**Materials used by the organization 2022 (in metric tons)**



| Renewable Materials (in metric tons)        |              |
|---|--------------|
| Construction materials and building systems | 15,660.73    |
| Office supplies                             | 77.12        |
| Packaging materials                         | 4,249,558.18 |
| Alcohol and glass bottle production         | 446,575.91   |
| Food supplies, dry goods                    | 4,859.29     |
| Others (materials for product transport)    | 912.05       |

| Non-renewable Materials (in metric tons)    |               |
|---|---------------|
| Construction materials and building systems | 453,297.64    |
| Office supplies                             | 16.22         |
| Building furnishing                         | 374,911.50    |
| Packaging materials                         | 1,109,600     |
| Alcohol and glass bottle production         | 82,389,390.77 |
| Others (Cleaning materials, fuel, etc.)     | 15,963.02     |

Emperador uses distilled neutral spirit, brandy distillates, grain and malt whiskies, and water, as well as glass bottles and packaging materials. Similarly, Golden Arches requires food and packaging supplies for its McDonald's restaurants nationwide. In addition, the AGI Group also procure office supplies for their general administrative departments to support day-to-day operations.

The building, hospitality, food, and beverage sectors where AGI operates have a significant environmental impact due

to resource and energy use and massive waste production. However, AGI recognizes the importance of economic handling of limited resources and is adopting the circular economy approach. To fulfill this, it requires the reuse of materials for as long as possible and designing and developing reusable, long-lasting products. AGI and its subsidiaries also promote vendor accreditation programs that ensure that third-party suppliers are aligned with the sustainability standards and practices of the Conglomerate.



Emperador's AWGI, for example, increased the cullet (broken glass) component in their formulation to 72.5%, which is higher than the world average cullet recycling rate of 50%. This will reduce the consumption of virgin materials by 70 metric tons per year and lessen fuel consumption as fewer virgin materials will mean less energy consumption on our glass furnaces. Without affecting the physical design and capacity of Emperador 750mL and Emperador 1L bottles, AWGI also re-developed bottles to reduce weight by an average of 24 gms per bottle. This will reduce cost and the consumption of 7,200 metric tons of virgin materials annually. Its Progreen Nasugbu plant prioritizes processing water reuse and uses a Biogas Digester to co-generate energy via methane biogas.

For Emperador's Pedro Domecq, the design and development of packaging must be in a way that creates the least impact on the environment. Pedro Domecq implements a system of materials requirements planning (MRP) to plan, schedule, and manage its inventory during manufacturing. The MRP is also based on having no surplus losses. To evaluate whether they are successful in materials management, a report on their materials consumption is done annually using the Greemko platform for the corresponding indicators of Gonzalez Byass.

Emperador's WMG implements their Green Print strategy's Mindful Consumption. Specifically, the company focuses on reducing, reusing, and recycling materials to minimize waste. For instance, WMG uses recycled materials, such as glass and paper, in many of its material components.

Megaworld improved its Vendor's Accreditation Program by updating the checklist for accreditation to include

the company profile, permits, licenses, more extensive experience qualifications, and member profile, among others. This improvement helps Megaworld to acquire services from more reliable and trustworthy vendors that share the same sustainability goals as the Company. Additionally, Megaworld practices sustainable purchasing for better material selection.

Travellers, under its ILoveEarth - Healthy, Responsible, Sustainable Sourcing Pillar, launched the cage-free eggs project. Led by Chef Meik Brammer of Marriott, the F&B teams of Newport World Resorts and its hotels commit to using organic cage-free eggs in their restaurant outlets. Travellers also partnered with BoomGrow for the ILoveEarth Urban Farm. BoomGrow is a company in Malaysia that does precision farming work to help create a kinder, more sustainable approach to growing vegetables.

Golden Arches' McDonald's guest paper packaging—clamshell containers, paper cups, etc.—are made from fiber sourced from 100% certified renewable sources. Additionally, 12% of McDonald's packaging materials are sourced from recycled materials (plastic and/or paper), but not on a closed loop. This is based on the total raw material requirement required for converting finished items into primary packaging.

All subsidiaries continue improving the efficiency of their operations to support long-term business resilience and move towards a circular economy through monthly progress reporting, defining baselines, and setting targets to understand the environmental implications of their own operations and value chain.

## McDonald's Philippines continues to transition to Sustainable Packaging

This 2022, 60% of McDonald's packaging was moved from plastic to paper (e.g., paper cups, paper bags, wooden stirrers, and wooden utensils) in select areas. This reduced the amount of plastic waste produced by the restaurant and made packaging more sustainable. McDonald's also transitioned to having strawless lids in the last quarter of 2022. This translates to 7 MT in annual plastic waste reduction and reduced usage of straws by 70%.





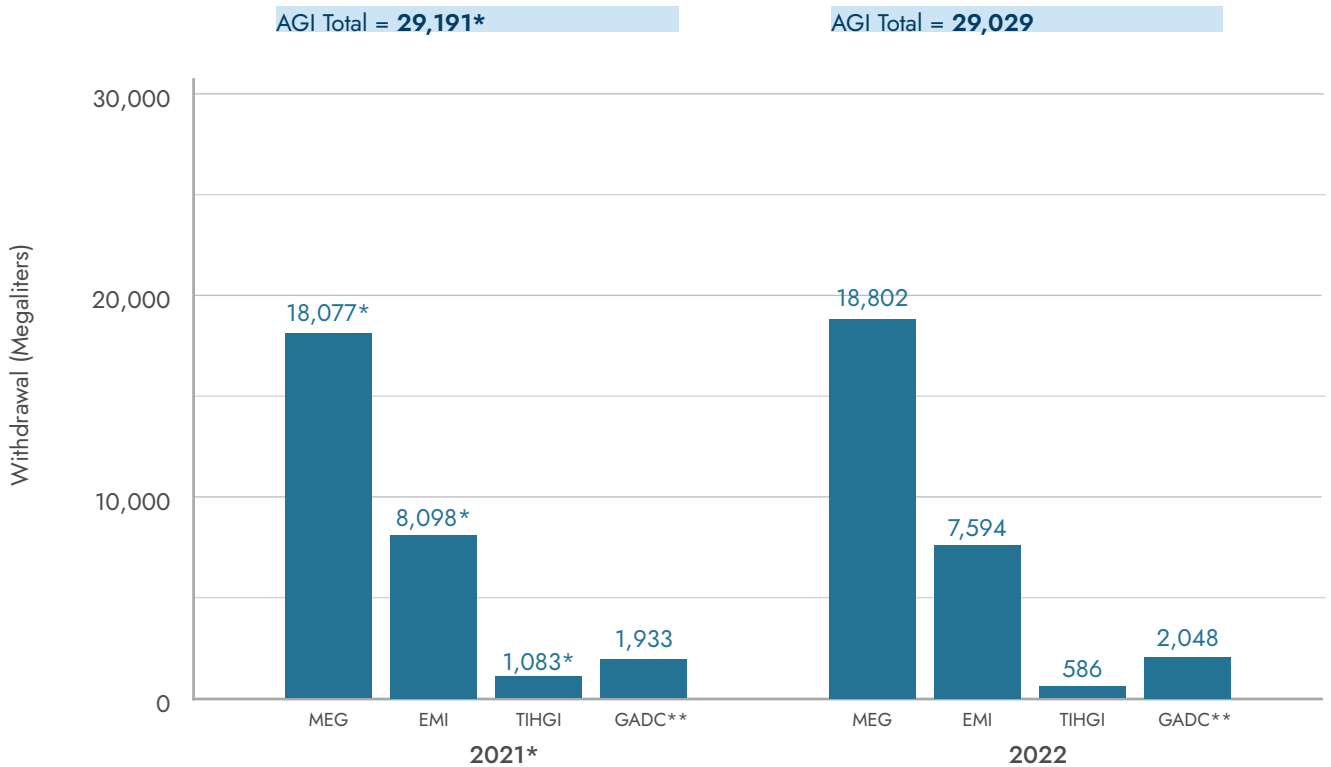
## Water and Wastewater Management

3-3; 303-1; 303-2  
303-3; 303-4; 303-5

Water and effluents are important aspects of resource management: water is an important resource that should be conserved, while effluents affect the environment and biodiversity as well as human health when improperly discharged.

The AGI Group withdraws water from third-party sources and groundwater for its projects, construction, daily operations, and water supply for its communities. AGI and its subsidiaries are responsible for the water discharges, water storage of facilities, and performance of annual activities in cleaning and disinfection of water holding tanks to ensure that water being supplied to customers, employees, and communities is clean and within the standard potability level.

### Water withdrawal (2021-2022) (in Megaliters)



| Subsidiary      | Water discharge<br>(in Megaliters) |                    | Water consumption<br>(in Megaliters) |              |
|-----------------|------------------------------------|--------------------|--------------------------------------|--------------|
|                 | 2021 (Restated)                    | 2022               | 2021                                 | 2022         |
| Megaworld       | 16,741*                            | 13,521             | 1,337*                               | 5,281        |
| Travellers      | 9                                  | Data not available | 1,074*                               | 586          |
| Emperador       | 3,023*                             | 3,654              | 5,075*                               | 3,940        |
| Golden Arches** | 1,804                              | 1,911              | 129                                  | 137          |
| <b>Total</b>    | <b>21,576*</b>                     | <b>19,087</b>      | <b>7,615*</b>                        | <b>9,943</b> |

\*AGI and subsidiaries recalculated its water data to provide accurate values for 2021. As a result, the Group's 2021 total water withdrawal, and total water discharge are restated for this year's report. (2-4)

\*\*Water data for Golden Arches are estimates based on the average consumption of one store multiplied by 365 days and are reported for Golden Arches' Mcopco and JV stores only.



AGI's total water withdrawal, discharge, and consumption figures in 2021 are approximations only and may not provide an accurate reflection of the organization's water data and performance due to: (1) Travellers' incomplete data from its properties; (2) Megaworld's water discharge data only includes two of its three subsidiaries; (3) GADC provided only an estimate for one store as the basis for its overall data for water disclosures.

Furthermore, the AGI Group is committed to continuously improving its water management practices and aims for better reporting and transparency. The company continues to track its water usage to understand its water consumption patterns better, identify management inefficiencies, implement various resource efficiency measures, and contribute to water conservation.

| Subsidiary | Water Management Practices   |
|------------|--|
| Megaworld  | <p>Megaworld commits 100% compliance to DENR/LLDA Parameter &amp; Standards to train technical personnel to be Pollution Control Officers for monitoring and complying with the Standards.</p> <p>As a water conservation measure, Megaworld started using non-potable water from rainwater, and the treated water from its Sewage Treatment Plant (STP) for use in landscape irrigation in its townships. Per month, 322 cubic meters are reused to reduce the usage of fresh water for the purpose of watering the landscape.</p> <p>Project designs already incorporate low flow rate fixtures, utilization of water discharge for cooling tower water requirements, and water for flushing in the comfort rooms for increased water conservation and consumption efficiency.</p> <p>Asia Affinity, on the other hand, started bio-augmentation measures for its STPs and grease tanks. Bio-augmentation is a water treatment activity that uses a non-toxic formula that contains bacterial cultures that degrade all kinds of organic wastes. This improved the quality of the water discharge and also eliminated odors.</p>   |
| Emperador  | <p>Emperador conducts an annual calibration of flow meters, close monitoring of leaks, and their timely correction to ensure the strict implementation of the plant-wide water conservation program. It also conducts quarterly effluent analysis and water consumption and wastewater discharge monitoring. Effluent parameters are monitored to ensure that these are in compliance with the National Effluent Quality Standard of DENR, ISO 14001 Standards for Bodegas Fundador under Grupo Emperador Spain (GES), as well as the Scottish Environmental Protection Agency's (SEPA) for WMG.</p> <p>As a water conservation measure in 2022, Emperador Biñan plant recycles wastewater from production for use in comfort rooms. Its subsidiary Progreen installed a rainwater catchment system that gathers rainwater in small portions to lessen groundwater extraction.</p> <p>The Tomelloso plant of Bodegas Fundador also saw a significant decrease in water consumption this year, specifically in the must rectification process. The segregation and reuse of the washing water from the must rectification process resulted in the conservation of about 10,000 to 15,000 cubic meters in 2022.</p> <p>For Progreen, the company's major waste product is strong wastewater, which is treated in a state-of-the-art facility designed to meet strict government standards.</p> |
| Travellers | <p>Travellers consume significant amounts of water sourced from third-party providers. For proper effluent management and compliance with local regulations, used water is discharged to the estate's central STP. A third-party provider monitors the Biological Oxygen Demand (BOD) content of effluents to ensure compliance with local regulations.</p> <p>Reduction of water and proper water management is part of the goals of the ILoveEarth campaign under the Traveller's Environment Pillar. Travellers adopt water conservation programs and practices managed by the Facilities and Project Management (FPM). These practices are a combination of Engineering Controls and Information campaigns all throughout the organization and its stakeholders.</p>   |
| GADC       | <p>GADC observed a total electricity reduction of 10,715,479 kWh due to their use of solar LED lamp posts, LED lights, and Variable Refrigerant Flow (VRF) air-conditioning system.</p>  |





# Business Ethics, Values, and Corporate Governance (GOVERNANCE)

2-24

## Corporate Governance Structure

2-9

It shall be the Board's responsibility to foster the long-term success of the Corporation, to sustain its competitiveness, profitability, and fiduciary responsibility, and to act on a fully-informed basis, in good faith, with due diligence and care, and in a manner consistent with its corporate objectives and the long-term best interests of its stockholders and other stakeholders.

### Corporate Governance Committee

2-13; 2-12

The Corporate Governance Committee assists the Board in performing its corporate governance responsibilities as follows: oversees the implementation and periodic review of the corporate governance framework; and the periodic performance evaluation of the members of the Board; recommends the continuing relevant education and training programs for directors; assigns tasks or projects to board committees; plans for the succession of the board members and senior officers, as well as the remuneration packages for corporate and individual performance; determines the nomination and election process for the general profile and composition of the Board; and ensures that the nomination and election policy and procedures for the Board are conducted properly. It comprises at least three (3) members, two of whom are independent directors, including the Chairman.

### Audit Committee

The Audit Committee has oversight over financial reporting, internal control systems, internal and external audit processes, and compliance with applicable laws and regulations. It is responsible for assessing the integrity and independence of external auditors. It monitors and evaluates the adequacy and effectiveness of our internal control systems, including financial reporting control and information technology security, and reviews the reports submitted by the internal and external auditors.

It is composed of at least three (3) members of the Board who, preferably, have accounting, auditing, and finance backgrounds, the majority of whom shall be Independent Directors and another with auditing experience. The chair of the Audit Committee must be an Independent Director.

### Related Transaction Committee

The Related Party Transaction (RPT) Committee reviews all material related party transactions of the Group. The committee has the following responsibilities: evaluates existing relations between and among business and counterparties on an ongoing basis; ensures that appropriate disclosure is made or information is provided to regulatory and supervisory authorities relating to the Group's RPT exposures; reviews and enforces policies on conflicts of interest or potential conflicts of interest; ensures that transactions with related parties, including a write-off of exposures, are subject to a periodic independent review or audit process; and oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

It is composed of at least three (3) members of the Board, two of whom must be Independent Directors, including the Chairman.

### Board Risk and Oversight Committee

The Board Risk Oversight Committee has oversight over the Enterprise Risk Management System to ensure its functionality and effectiveness. It shall develop, oversee the implementation, and evaluate a formal enterprise risk management plan; advise the Board on its risk appetite levels and risk tolerance limits; and provide oversight over the Management's activities in managing credit, market, liquidity, operational, legal, and other risk exposures of the Group.

It is composed of at least three (3) members of the Board, the majority of whom must be Independent Directors, including the Chairman. The Chairman of this Committee must not be the Chairman of the Board or of any other committee.



## Board of Directors engaged in a Seminar on Environmental, Social & Governance (ESG)

2-12

Emperador took its sustainability initiative further by engaging with the Singapore Institute of Directors for the conduct of an Environmental, Social & Governance (ESG) seminar for its Board of Directors Board (BODs) in November 2022. Through the event, BODs learned about the impact and implications of ESG developments on businesses, their roles, and responsibilities in driving sustainability compliance and strategy of the Company among others.

As the BODs provide guidance and oversight, and ensure the Company's long-term success, the seminar enables for a better understanding of ESG principles and how these can be implemented in the Company's long-term plans and future initiatives.

## Nomination and Selection Process for Highest Governance Body

2-10

The Board shall organize a Corporate Governance Committee that should be tasked to assist the Board in the performance of its corporate governance responsibilities. It determines the nomination and election process for the Corporation's directors and the general profile of board members that the Corporation may need to ensure that appropriate knowledge, competencies, and expertise that complement the existing skills of the Board.

The Directors shall have such qualifications prescribed in the Corporation Code, the Securities Regulation Code and other relevant laws, as well as any of the following additional qualifications:

- A college degree;
- Business experience;
- Practical understanding of the business of the Corporation;
- Working knowledge, experience or expertise relevant to the Corporation's industry;
- Membership in good standing in a relevant industry, business or professional organization; and/or
- Record of integrity and good repute.

## Role of Highest Governance Body in Setting Purpose, Values, and Strategy

2-14

It shall be the Board's responsibility to foster the long-term success of the Corporation, to sustain its competitiveness, profitability, and fiduciary responsibility, and to act on a fully-informed basis, in good faith, with due diligence and care and in a manner consistent with its corporate objectives and the long-term best interests of its stockholders and other stakeholders.

The Board should oversee the development of and approve the Corporation's business objectives and strategy and monitor the implementation thereof, in order to sustain long-term viability and strength.

The Board should formulate the Corporation's vision, mission, strategic objectives, policies, and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

The Board shall also ensure that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds and materiality, which shall include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions.

The Board shall carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members, and committees.

The Board should have in place a system that provides, at the minimum, criteria, and processes to determine the performance of the Board, the individual directors, and committees, and such a system should allow for a feedback mechanism from the shareholders.



# The Roles of the Chair and Chief Executive Officer

2-12; 2-14

The roles of Chair and CEO should, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chair and CEO upon their election.

The duties and responsibilities of the Chair in relation to the Board shall include the following:

- A.** Make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- B.** Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- C.** Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- D.** Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
- E.** Assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors;
- F.** Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary;
- G.** Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors;
- H.** Maintain qualitative and timely lines of the communication and information between the Board and Management;
- I.** Make sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

The duties and responsibilities of the CEO shall include the following:

- A.** Determine the corporation's strategic direction and formulates and implements its strategic plan on the direction of the business;
- B.** Communicate and implement the corporation's vision, mission, values and overall strategy and promotes any organization or stakeholder change in relation to the same;
- C.** Oversee the operations of the corporation and manages human and financial resources in accordance with the strategic plan;
- D.** Has a good working knowledge of the corporation's industry and market and keeps up-to-date with its core business purpose;
- E.** Direct, evaluate and guide the work of the key officers of the corporation;
- F.** Manage the corporation's resources prudently and ensures a proper balance of the same;
- G.** Provide the Board with timely information and interfaces between the Board and the employees;
- H.** Build the corporate culture and motivates the employees of the corporation; and
- I.** Serve as the link between internal operations and external stakeholders.

If the positions of Chair and CEO are unified, the proper checks and balances should be laid down to ensure that the Board gets the benefit of independent views and perspectives. The Board should designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.

The functions of the lead director shall include, among others, the following:

- A.** Serve as an intermediary between the Chairman and the other directors when necessary;
- B.** Convene and chair meetings of the non-executive directors; and
- C.** Contribute to the performance evaluation of the Chairman, as required.



## Profile of the Board of Directors



**DR. ANDREW L. TAN**  
Chairman of the Board

Dr. Tan has served as Chairman of the Board since September 2006. He has also served as the Chief Executive Officer from September 2006 to June 2018 and as Vice-Chairman of the Board from August 2003 to September 2006. He currently holds the position of Chairman and President at Megaworld Corporation; Chairman at Emperador Inc.; Global-Estate Resorts, Inc., and Empire East Land Holdings, Inc. which are both subsidiaries of Megaworld. He pioneered the live-work-play-learn model in the real estate development through the Megaworld Corporation's integrated township communities, fueling the growth of the business process outsourcing ("BPO") industry, food and beverage, and quick service restaurants industries. Dr. Tan is concurrently the Chairman of the Board and President of Megaworld Globus Asia, Inc., Megaworld Newport Property Holdings, Inc., Megaworld Land, Inc., Mactan Oceanview Properties and Holdings, Inc., Richmond Hotel Group International Limited, Twin Lakes Corporation, The Bar Beverage, Inc., Yorkshire Holdings, Inc., and Manila Bayshore Property Holdings, Inc. He is also Chairman of Alliance Global Group Cayman Islands, Inc., Alliance Global Brands, Inc., Suntrust Properties, Inc., Adams Properties, Inc., Consolidated Distillers of the Far East, Inc., Megaworld Foundation, Inc., Townsquare Development Inc., Gilmore Property Marketing Associates, Inc., Megaworld Central Properties, Inc., Raffles & Company, Inc., Southwoods Mall, Inc., Eastwood Cyber One Corporation, and Emperador Distillers, Inc. He is the Chairman and Treasurer of The Andresons Group, Inc. and sits on the boards of Infracorp Development, Inc., Megaworld Cayman Islands, Inc., Megaworld Cebu Properties, Inc., Travellers International Hotel Group, Inc. He is also the Vice-Chairman and Treasurer of Golden Arches Development Corporation and Golden Arches Realty Corporation and a Director and Treasurer of Andresons Global, Inc. Dr. Tan graduated Magna Cum Laude with a degree of Bachelor of Science in Business Administration and was conferred Doctor of Philosophy in Humanities (Honoris Causa) from the University of the East.



**KEVIN ANDREW L. TAN**  
Chief Executive Officer

Mr. Tan has been elected as Chief Executive Officer since June 2018 and Vice-Chairman since September 2018. He is also the Director of Emperador Inc., Empire East Land Holdings, Inc., and Global-Estate Resorts, Inc. He holds the positions of Executive Vice President at Megaworld Corp., and President and CEO of MREIT, Inc. He is concurrently the Chairman and President of Infracorp Development, Inc., Director and President of Townsquare Development, Inc., Director and Corporate Secretary of Alliance Global Brands, Inc., Director and Treasurer of Consolidated Distillers of the Far East, Inc. and Uptown Cinemas, Inc., Executive Director of Megaworld Foundation, Inc., and Director of Emperador Distillers, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., Emperador Brandy, Inc., New Town Land Partners, Inc., Eastwood Cyber One Corporation, Twin Lakes Corporation, Alcazar De Bana Holdings Company, Inc., Cocos Vodka Distillers Philippines, Inc., Zabana Rum Company, Inc., and The Andresons Group Incorporated. He is also Chairman and CEO of Agile Digital Ventures, Inc., Megaworld Corporation's digital investment arm that is engaged in investing and building technology start-ups. He has over 11 years of experience in retail leasing, marketing, and operations. He formerly headed the Commercial Division of Megaworld Corporation, which markets and operates the Megaworld Lifestyle Malls, including Eastwood Mall and The Clubhouse at Corinthian Hills in Quezon City, Venice Piazza at McKinley Hill, and Burgos Circle at Forbestown Center, both in Fort Bonifacio, California Garden Square in Mandaluyong City, Newport Mall at Resorts World Manila in Pasay City, Lucky Chinatown Mall in Binondo, Manila, Uptown Mall in Uptown Bonifacio and Southwoods Mall in Laguna. Mr. Tan holds a Bachelor of Arts Major in Humanities with Professional Certificate in Management, from the University of Asia and the Pacific.



**KINGSON U. SIAN**  
President

Mr. Sian has served as Director and President since February 20, 2007. He is also the Director/Executive Director of Megaworld Corporation. He is the Chairman and President of Asia Finest Hotels & Resorts, Inc. Eastwood Locator's Assistance Center, Inc., and Prestige Hotels & Resorts, Inc., Director/President of Adams Properties, Inc. and Eastwood Cyber One Corporation; Director and Treasurer of Asian E-Commerce, Inc., Director of Citywalk Building Administration, Inc., Forbes Town Commercial Center Administration, Inc., and Paseo Center Building Administration, Inc. He is the Senior Vice President of Megaworld Land, Inc. Mr. Sian graduated from the University of the Philippines with the degree of Bachelor of Science in Business Economics. He obtained his Masteral Degree in Business Administration for Finance and Business Policy from the University of Chicago.


**KATHERINE L. TAN**

Treasurer

Ms. Tan has served as Director and Treasurer since February 2007. She also serves as Director and Treasurer of Emperor Inc., and Megaworld Corp., and Director of MREIT Inc. She is the Chairman and President of Andresons Global, Inc. and Choice Gourmet Banquet, Inc. She is also Director/President of Consolidated Distillers of the Far East, Inc., Raffles and Company, Inc., and The Andresons Group, Incorporated. She is the Director/Treasurer of Alliance Global Brands, Inc., Emperor Brandy, Inc., Emperor Distillers, Inc., Progreen Agricorp, Inc., Cocos Vodka Distillers Philippines, Inc., Zabana Rum Company, Inc., and Yorkshire Holdings, Inc. She is also Director and Corporate Secretary of The Bar Beverage, Inc. and Director of Anglo Watsons Glass, Inc., Alcazar De Bana Holdings, Inc., Emperor International Limited, Kenrich Corporation, McKesterPik-Nik International Limited, Megaworld Cayman Islands, Inc., and Venezia Universal Limited. She is the Treasurer of Newtown Land Partners, Inc. Ms. Tan graduated from St. Scholastica's College with a degree in Nutrition.


**ANTHONY T. ROBLES**

Independent Director

Mr. Robles has served as an Independent Director since 16 June 2022. He is concurrently an Independent Director of MREIT Fund Manager, Inc. Mr. Robles is also a Bank Consultant of PBCOM and a Faculty Member (Finance Cluster) of Ateneo de Manila Graduate School of Business. Prior to his roles, Mr. Robles has served several other positions including the EVP Sector Head (Development Lending), Acting CEO / President, and Sector Head, Executive Vice President (Branch Banking) of the Development Bank of the Philippines, the President and Chief Operating Officer of DRS Global Technologies, Inc., the Executive Vice President (Retail Banking Group) of Chinatrust (Philippines), the Executive Vice President (Account Management Group) of Planters Development Bank, and the Senior Vice President-General Manager (Band 4) (Wealth Management Value Center) of Standard Chartered Bank (Philippines). Mr. Robles earned his B.A. in Commerce degree from the University of Santos Tomas and his MBA in Financial Management from Ateneo de Manila University.



## DR. JESLI A. LAPUS

Independent Director

Dr. Lapus is currently the Chairman and Independent Director of STI Education Services Group, Inc. since 2013 and Chairman of LSERV Corporation since 2012. He is Independent Director of Information and AGI 2022 17-A - 85- Technology Academy (iAcademy) since 2010, Philippine Life Financial Assurance Corporation since 2012, and STI Education Systems Holdings, Inc. since 2013. He is also an Advisor of Radiowealth Finance Company, Inc. He is a former Chairman of the Board of Investments, Philippine Exports Zone Authority, National Development Corporation, Export Development Council, Export Development Council, Micro, Medium and Small Enterprises Council (MSMED), Summer Institute of Linguistics (SIL) and Manila Tiyana Colleges. He is a former Board Member of the Land Bank of the Philippines, Philippine Airlines, Meralco, and Union Bank of the Philippines; former Governor/Trustee of the Asian Institute of Management, Management Association of the Philippines, and Bankers Association of the Philippines; and former Advisor of Philplans First, Inc.

As a top executive in the private sector, he has successfully managed celebrated firms and a universal bank in attaining industry leadership. As the youngest President and CEO of the Landbank of the Philippines at 42 years old, Lapus steered the bank from number 18 to become the 3rd biggest in the banking industry. As the first Filipino and the youngest Managing Director of the German multinational company Triumph International (Phils.), Inc. from 1979-1985, he led it to become the biggest manufacturing operation of its kind in the world making it a top Philippine exporter and employer. At 23, he was the Chief Finance Officer (CFO) of the Ramcar Group where he engineered mergers and acquisitions which established Ramcar as the undisputed market leader in the country. At age 20, he was Auditor-in-Charge and Management Consultant at SGV & Co., CPA's (1969-1973).

Dr. Lapus has the distinction of having served in the cabinets of three (3) Philippine Presidents in the following capacities: Secretary of the Department of Trade and Industry, Secretary of the Department of Education, President and CEO of The Land Bank of the Philippines, and Undersecretary of the Department of Agrarian Reform. He had been elected member of the Philippine Congress for three consecutive terms in 1998-2007 where he spearheaded many famous legislation such as the 2005 Fiscal Reform Measures (EVAT, Sin Taxes, Tax Amnesty, and Attrition Law).

Dr. Lapus has been elected by the 180-country international organization, the United Nations Educational and Scientific Council (UNESCO) in Paris, France as a member of its Executive Board. He also served as the President of the South East Asian Ministers of Education Council (SEAMEO).

Dr. Lapus received his Doctor of Public Administration (Honoris Causa) from the Polytechnic University of the Philippines and his Master in Business Management from the Asian Institute of Management and is a Certified Public Accountant. He also pursued his Post Graduate Studies in Investment Appraisal and Management from Harvard University, USA; Management of Transfer of Technology from INSEAD, France; Project Management from BITS, Sweden; Personal Financial Planning from UCLA, USA; and Cursos Internacionales from the Universidad de Salamanca, Spain.



## ENRIQUE M. SORIANO III

Independent Director

Mr. Soriano has served as an Independent Director since 16 June 2022. He holds a position in the following other listed company: AGI 2022 17-A - 86- Listed Company Position Date First Elected Date Last Elected No. of Term/ Years Emperor Inc. Independent Director May 2016 May 2022 6 He is concurrently an Independent Director of MREIT Fund Managers, Inc. and Travellers International Hotel Group, Inc. He is currently the Executive Director of the Wong + Bernstein Group, an Asia Pacific-based Strategic Advisory Firm that specializes in Family Governance and Next Generation Leadership. He is also a Senior Advisor at Family in Business Strategic Group, and a Senior Fellow on Governance at the IPMI International Business School in Jakarta. He also sits as a Director and/or Board advisor to 25 UHNW (ultra-high net worth families) in the ASEAN region. He is also a Columnist and Book Author.

He is a former World Bank/ International Finance Corporation Governance Consultant, Dean of Education at the Manual L. Quezon University, Senior Professor of Service and Global Marketing at the Ateneo Graduate School of Business, and Country President of Electronic Realty Associates (ERA Philippines.). His advocacy related to Real Estate Innovation, Strategic Management, and Corporate Governance has made him a sought-after Senior Advisor to family-owned businesses in Asia and a resource speaker at international conferences in the US, Canada, UK, ASEAN, and Africa. Due to his strategic advocacies, he has been recognized and invited to lecture and deliver talks at dozens of universities in Asia and North America, notably Harvard University and the University of San Francisco. He writes a business column in several Philippine newspapers, in the US and a couple of business magazines in the EU and the Middle East. He is currently finishing his third book on Family Governance

and Succession following his bestselling book entitled "Ensuring the Family Business Legacy: Powerful Insights About Leadership and Succession."

He holds a B.A. in History, minor in Economics degree from the University of the Philippines, an MBA from De La Salle University, Doctorate Units at the UP National College of Public Administration, and has an Executive Diploma in Directorships at the Singapore Management University. He also pursued Post Graduate Education specializing in Behavioral Finance at Harvard Kennedy School of Government and at the National University of Singapore Business School focusing on Asian Family Businesses. He was conferred Certified Professional Marketer by the Marketing Institute of the Philippines in 2016.





**DINA D.R. INTING**  
Chief Financial Officer

Ms. Inting has served as Chief Financial Officer since January 1995 and at present its Compliance Officer and Corporate Information Officer. She holds the same position at Emperador Inc. She is currently a director of Progreen Agricornp, Inc. She gained an extensive experience in the fields of audit, comptrollership, treasury, finance, branch operations, and personnel management from her previous employments in SGV & Co., Raffles & Company, Inc., and First Oceanic Property Management, Inc. She is a Cum Laude graduate of Bachelor of Science in Commerce major in Accounting, Honors Program, at the Philippine College of Commerce (Polytechnic University of the Philippines), holds a certificate in Organizational Development from the Ateneo de Manila University, and is a Certified Public Accountant.



**ALAN B. QUINTANA**  
Corporate Secretary

Mr. Quintana has served as the Corporate Secretary since April 16, 2019. He is currently the First Vice President for Legal – Landbank Management and Titling Department of Global-Estate Resorts, Inc. (“GERI”) since May 2018 and has been with GERI since 2011. He is a Director of Boracay Newcoast Federation, Inc., Sherwood Hills Development, Inc., Global Shelter, Inc., and La Compañía de Sta. Barbara, Inc., Pioneer L-5 Realty Corporation, and Golden Sun Airways, Inc. He is the Corporate Secretary of Boracay Newcoast Resorts, Inc., and Infracorp Development, Inc. He has a degree in Bachelor of Science in Commerce Major in Accounting from the University of San Carlos and obtained his Bachelor of Laws degree from the San Beda College of Law.



# Enterprise Risk Management System

2-23; 2-26; 2-12

## Enterprise Risk Management System: Preparing for Challenges

An Enterprise Risk Management System allows an organization to list down and assess potential risks that could happen, and consequently layout plans in preparation for the identified dangers. Having clear policies in connection with the identified risks prepares the Company for potential harm or losses that could interfere with operations.

| Risk Exposure                                   | Company Risk Management Policy   | Objective  |
|---|--|--|
| Hazards and natural or other catastrophes       | <ul style="list-style-type: none"> <li>Have an emergency response plan or action</li> </ul>  | <ul style="list-style-type: none"> <li>Allow the different business segments to continue operations even during natural disaster or calamity.</li> </ul>   |
| Regulatory developments                         | <ul style="list-style-type: none"> <li>Review of new laws and regulations</li> </ul>   | <ul style="list-style-type: none"> <li>Ensure the different business segments are compliant with all laws and regulations</li> </ul>   |
| Money laundering and cheating at gaming areas   | <ul style="list-style-type: none"> <li>Constant security check and monitoring</li> <li>A system of checks and balances</li> </ul>  | <ul style="list-style-type: none"> <li>Minimize situations where these activities can happen</li> </ul>  |
| Supply of raw materials and packaging materials | <ul style="list-style-type: none"> <li>Maintain a diverse group of suppliers</li> <li>Get at least three quotations from suppliers</li> </ul>                                    | <ul style="list-style-type: none"> <li>Prevent overdependence on a single supplier</li> <li>Ensure the best price possible</li> </ul>  |
| Consumer taste, trends, and preferences         | <ul style="list-style-type: none"> <li>Market study and analysis</li> </ul>  | <ul style="list-style-type: none"> <li>Be aware of trends and preferences to develop new products or adapt existing strategy</li> </ul>  |
| Competition                                     | <ul style="list-style-type: none"> <li>Market study and analysis</li> <li>Maintain a diversified earnings base</li> <li>Constant product innovation</li> </ul>                   | <ul style="list-style-type: none"> <li>Be aware of trends and preferences to develop new products or adapt existing strategy</li> <li>Revenue and property diversification</li> </ul>                            |
| Interests of joint development partners         | <ul style="list-style-type: none"> <li>Use of pre-selling as a project financing tool</li> <li>Entering into joint development agreements for the acquisition of land</li> </ul> | <ul style="list-style-type: none"> <li>Minimize cash outlays for projects, control development costs, and maintain a net cash position</li> <li>Maximize cost efficiencies and resources</li> </ul>              |
| Land for future developments                    | <ul style="list-style-type: none"> <li>Use of pre-selling as a project financing tool</li> <li>Entering into joint development agreements for the acquisition of land</li> </ul> | <ul style="list-style-type: none"> <li>Minimize cash outlays for projects, control development costs, and maintain a net cash position</li> <li>Maximize cost efficiencies and resources</li> </ul>              |
| Philippine economic and political conditions    | <ul style="list-style-type: none"> <li>Review of business and political situation</li> </ul>   | <ul style="list-style-type: none"> <li>Ensure the different business segments can immediately adapt to changes in economic and political conditions, and can devise strategies to meet these changes.</li> </ul> |

The Board, through the Audit Committee, reviews the effectiveness of the Group's risk management system, including its subsidiaries and affiliates, with emphasis on monitoring existing and emerging risks, as well as implementing risk mitigation measures and identifying risks before they cause negative impacts on the business.

Based on the set guidelines, directors are assigned specific subsidiaries, affiliates, or businesses where they monitor compliance with the risk management system. The risk management system review is ongoing, awaiting reports from each subsidiary, affiliate, and business segment. Criteria used for review comply with established guidelines and controls, and the appropriate risk management and risk mitigation measures were undertaken.



### Control System Set-up

| Risk Exposure                                | Risk Assessment (Monitoring and Measurement Process) | Risk Assessment (Monitoring and Measurement Process)   |
|--|--|--|
| Hazards and natural or other catastrophes    | Have an emergency response plan or action            | Allow the different business segments to continue operations or minimize downtime during natural disaster or calamity                    |
| Regulatory developments                      | Review of new laws and regulations                   | Ensure the Company is compliant with all laws and regulations  |
| Philippine economic and political conditions | Review of business and political situation           | Ensure the Company can immediately adapt to changes in economic and political conditions and can devise strategies to meet these changes |
| Liquidity                                    | Minimize exposure to financial markets               | Actively secure short- to medium-term cash flow  |

## Business Ethics and Integrity

2-16

The Company has a compliance officer who monitors compliance of ethics or conduct.

Directors submit annually a list of business and professional affiliations through which conflicts-of-interest may be determined. Relative to senior management and employees, the Human Resources Department of each subsidiary and affiliate implements and monitors compliance with the code of ethics or conduct.

## Whistle-Blowing Policy

The Committee on Ethics accepts reports of wrongdoing by the Company's directors, senior management, and employees and investigates them while, at the same time, ensures the confidentiality of information.

## Insider Trading

**Insider Trading Policy** A director must keep secure and confidential all non-public information he may acquire or learn because of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.

## Conflict of Interest

2-15

A director must not use his position to profit or gain some benefit or advantage for himself and/or his related interest. If an actual or potential conflict of interest may arise on the part of a director, he must fully and immediately disclose it and must not participate in the decision-making process.

Before an employee enters into an official transaction with a supplier or contractor, he must disclose in writing to his immediate supervisor any relationship or association that binds him to the supplier or contractor or its authorized representative to avoid possible conflict of interest.

## Policy and Data Relating to Health, Safety, and Welfare of Employees

The Company maintains a safety and security program for its employees, which is periodically updated and revised. The Company provides free health care coverage to its employees and periodically upgrades its security procedures and facilities to ensure the safety of its employees in the workplace.



# Financial Statements





**Access the Company's Financial Statements  
by scanning the QR code below:**





# GRI Index

|  |   |
|--|---|
| <b>Statement of use</b>                  | Alliance Global Inc. has reported in accordance with the GRI Standards for the period January 2022 - December 2022. |
| <b>GRI 1 used</b>                        | GRI 1: Foundation 2021  |
| <b>Applicable GRI Sector Standard(s)</b> | Not available   |

| GRI STANDARD/<br>OTHER SOURCE                      | DISCLOSURE   | LOCATION   | OMISSION  |                         |  | GRI SECTOR<br>STANDARD<br>REF. NO |
|--|--|--|---|-------------------------|--|-----------------------------------|
|  |  |  | REQUIREMENT(S)<br>OMITTED   | REASON                  | EXPLANATION  |                                   |
| <b>GRI 2:<br/>General<br/>Disclosures<br/>2021</b> | 2-1 Organizational details   | 3  | A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available. |                         |  |                                   |
|  | 2-2 Entities included in the organization's sustainability reporting | 5  |   |                         |  |                                   |
|  | 2-3 Reporting period, frequency and contact point                    | 2  |   |                         |  |                                   |
|  | 2-4 Restatements of information                                      | 43, 48, 50, 58, 61, 65, 69, 95-96                                    |   |                         |  |                                   |
|  | 2-5 External assurance   | This report has not been externally assured.                         |   |                         |  |                                   |
|  | 2-6 Activities, value chain and other business relationships         | 3  |   |                         |  |                                   |
|  | 2-7 Employees  | 9  |   |                         |  |                                   |
|  | 2-8 Workers who are not employees                                    |  | 2-8   | Information unavailable | The Group has not yet gathered the required information. |                                   |
|  | 2-9 Governance structure and composition                             | 15, 71   |   |                         |  |                                   |
|  | 2-10 Nomination and selection of the highest governance body         | 72   |   |                         |  |                                   |
|  | 2-11 Chair of the highest governance body                            | The highest governance body is also a senior executive of the Group. |   |                         |  |                                   |



| GRI STANDARD/<br>OTHER SOURCE                      | DISCLOSURE   | LOCATION   | OMISSION                  |                         |  | GRI SECTOR<br>STANDARD<br>REF. NO |
|--|--|--|---------------------------|-------------------------|--|-----------------------------------|
|  |  |  | REQUIREMENT(S)<br>OMITTED | REASON                  | EXPLANATION  |                                   |
| <b>GRI 2:<br/>General<br/>Disclosures<br/>2021</b> | 2-12 Role of the highest governance body in overseeing the management of impacts | 71,72  |                           |                         |  |                                   |
|  | 2-13 Delegation of responsibility for managing impacts                           | 24, 71   |                           |                         |  |                                   |
|  | 2-14 Role of the highest governance body in sustainability reporting             | 24, 72   |                           |                         |  |                                   |
|  | 2-15 Conflicts of interest   | 81   |                           |                         |  |                                   |
|  | 2-16 Communication of critical concerns  | 81   |                           |                         |  |                                   |
|  | 2-17 Collective knowledge of the highest governance body                         |  | 2-17                      | Information unavailable | The Group has not yet gathered the required information. |                                   |
|  | 2-18 Evaluation of the performance of the highest governance body                | Refer to <a href="#">AGI Manual on Corporate Governance</a> p.8  |                           |                         |  |                                   |
|  | 2-19 Remuneration policies   | Refer to <a href="#">AGI Manual on Corporate Governance</a> p.12 |                           |                         |  |                                   |
|  | 2-20 Process to determine remuneration   | Refer to <a href="#">AGI Manual on Corporate Governance</a> p.12 |                           |                         |  |                                   |
|  | 2-21 Annual total compensation ratio   |  |                           | Information unavailable | The Group has not yet gathered the required information. |                                   |
|  | 2-22 Statement on sustainable development strategy                               | 10   |                           |                         |  |                                   |
|  | 2-23 Policy commitments  | 24, 80   |                           |                         |  |                                   |
|  | 2-24 Embedding policy commitments  | 71   |                           |                         |  |                                   |
|  | 2-25 Processes to remediate negative impacts                                     | 28   |                           |                         |  |                                   |



| GRI STANDARD/<br>OTHER SOURCE                         | DISCLOSURE   | LOCATION  | OMISSION  |                        |  | GRI SECTOR<br>STANDARD<br>REF. NO |
|---|--|---|---|------------------------|--|-----------------------------------|
|   |  |   | REQUIREMENT(S)<br>OMITTED   | REASON                 | EXPLANATION  |                                   |
| <b>GRI 2:<br/>General<br/>Disclosures<br/>2021</b>    | 2-26 Mechanisms for seeking advice and raising concerns                              | 18, 80  |   |                        |  |                                   |
|   | 2-27 Compliance with laws and regulations  | The Group is compliant with Philippine laws and regulations and have reported zero significant instances of non-compliance.                                     |   |                        |  |                                   |
|   | 2-28 Membership associations   | AGI and its subsidiaries' governance bodies are not members of national or international advocacy organizations in which it participates in a significant role. |   |                        |  |                                   |
|   | 2-29 Approach to stakeholder engagement  | 18  |   |                        |  |                                   |
|   | 2-30 Collective bargaining agreements  |   | 2-30  | Information incomplete | Several AGI subsidiaries are non-unionized   |                                   |
| <b>MATERIAL TOPICS</b>                                |  |   |   |                        |  |                                   |
| <b>GRI 3: Material Topics 2021</b>                    | 3-1 Process to determine material topics   | 22-23   | A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available. |                        |  |                                   |
|   | 3-2 List of material topics  | 23  |   |                        |  |                                   |
| <b>ECONOMIC PERFORMANCE</b>                           |  |   |   |                        |  |                                   |
| <b>GRI 201:<br/>Economic<br/>Performance<br/>2016</b> | 3-3 Management of material topics  | 35-40   |   |                        |  |                                   |
|   | 201-1 Direct economic value generated and distributed                                | 35-40   |   |                        |  |                                   |
|   | 201-2 Financial implications and other risks and opportunities due to climate change | 28  |   |                        |  |                                   |
|   | 201-3 Defined benefit plan obligations and other retirement plans                    |   | 201-3 a-e   | Information incomplete | The group is in process of consolidating the required information from its subsidiaries. |                                   |
|   | 201-4 Financial assistance received from government                                  | The Group has not received any financial assistance from the government.  |   |                        |  |                                   |





| GRI STANDARD/<br>OTHER SOURCE                  | DISCLOSURE   | LOCATION | OMISSION                  |                         |  | GRI SECTOR<br>STANDARD<br>REF. NO |
|--|--|----------|---------------------------|-------------------------|--|-----------------------------------|
|  |  |          | REQUIREMENT(S)<br>OMITTED | REASON                  | EXPLANATION  |                                   |
| <b>MARKET PRESENCE</b>                         |  |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>             | 3-3 Management of material topics  |          | 3-3                       | Information unavailable | The group has only included a summary of information on its market presence covering its contribution to Philippine economic development in pages 8-9. |                                   |
| <b>GRI 202: Market Presence 2016</b>           | 202-1 Ratios of standard entry level wage by gender compared to local minimum wage |          | 202-1 a-d                 | Information unavailable | The group is in process of consolidating the required information from its subsidiaries.   |                                   |
|  | 202-2 Proportion of senior management hired from the local community               |          | 202-2 a-d                 | Information unavailable |  |                                   |
| <b>INDIRECT ECONOMIC IMPACTS</b>               |  |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>             | 3-3 Management of material topics  | 35-40    |                           |                         |  |                                   |
| <b>GRI 203: Indirect Economic Impacts 2016</b> | 203-1 Infrastructure investments and services supported                            | 35-40    |                           |                         |  |                                   |
|  | 203-2 Significant indirect economic impacts  | 35-40    |                           |                         |  |                                   |
| <b>PROCUREMENT PRACTICES</b>                   |  |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>             | 3-3 Management of material topics  | 41       |                           |                         |  |                                   |
| <b>GRI 204: Procurement Practices 2016</b>     | 204-1 Proportion of spending on local suppliers                                    | 41-42    |                           |                         |  |                                   |
| <b>MATERIALS</b>                               |  |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>             | 3-3 Management of material topics  | 67       |                           |                         |  |                                   |
| <b>GRI 301: Materials 2016</b>                 | 301-1 Materials used by weight or volume   | 67       |                           |                         |  |                                   |
|  | 301-2 Recycled input materials used  |          | 301-2 a                   | Information unavailable | While some subsidiaries have recycling programs, the Group has not yet gathered the required information from these initiatives.                       |                                   |
|  | 301-3 Reclaimed products and their packaging materials                             |          | 301-3 a-b                 | Information unavailable | The Group has not yet gathered the required information.   |                                   |



| GRI STANDARD/<br>OTHER SOURCE            | DISCLOSURE   | LOCATION | OMISSION                  |                         |  | GRI SECTOR<br>STANDARD<br>REF. NO |
|--|--|----------|---------------------------|-------------------------|--|-----------------------------------|
|  |  |          | REQUIREMENT(S)<br>OMITTED | REASON                  | EXPLANATION  |                                   |
| <b>ENERGY</b>                            |  |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>       | 3-3 Management of material topics                                | 58       |                           |                         |  |                                   |
| <b>GRI 302: Energy 2016</b>              | 302-1 Energy consumption within the organization                 | 58       |                           |                         |  |                                   |
|  | 302-2 Energy consumption outside of the organization             | 94       |                           |                         |  |                                   |
|  | 302-3 Energy intensity   | 59       |                           |                         |  |                                   |
|  | 302-4 Reduction of energy consumption                            | 59-60    |                           |                         |  |                                   |
|  | 302-5 Reductions in energy requirements of products and services |          | 302-5 a-c                 | Information unavailable | The Group has not yet gathered the required information. |                                   |
| <b>WATER AND EFFLUENTS</b>               |  |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>       | 3-3 Management of material topics                                | 69-70    |                           |                         |  |                                   |
| <b>GRI 303: Water and Effluents 2018</b> | 303-1 Interactions with water as a shared resource               | 69-70    |                           |                         |  |                                   |
|  | 303-2 Management of water discharge-related impacts              | 69-70    |                           |                         |  |                                   |
|  | 303-3 Water withdrawal   | 69       |                           |                         |  |                                   |
|  | 303-4 Water discharge  | 69       |                           |                         |  |                                   |
|  | 303-5 Water consumption  | 69       |                           |                         |  |                                   |



| GRI STANDARD/<br>OTHER SOURCE      | DISCLOSURE  | LOCATION | OMISSION                  |                         |  | GRI SECTOR<br>STANDARD<br>REF. NO |
|------------------------------------|---|----------|---------------------------|-------------------------|--|-----------------------------------|
|                                    |   |          | REQUIREMENT(S)<br>OMITTED | REASON                  | EXPLANATION  |                                   |
| <b>EMISSIONS</b>                   |   |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b> | 3-3 Management of material topics   | 61       |                           |                         |  |                                   |
| <b>GRI 301: Materials 2016</b>     | 305-1 Direct (Scope 1) GHG emissions  | 61       |                           |                         |  |                                   |
|                                    | 305-2 Energy indirect (Scope 2) GHG emissions   | 61       |                           |                         |  |                                   |
|                                    | 305-3 Other indirect (Scope 3) GHG emissions  | 62       |                           |                         |  |                                   |
|                                    | 305-4 GHG emissions intensity   | 63       |                           |                         |  |                                   |
|                                    | 305-5 Reduction of GHG emissions  |          | 305-5 a-e                 | Information unavailable | The Group has not yet gathered the required information.   |                                   |
|                                    | 305-6 Emissions of ozone-depleting substances (ODS)                                   |          | 305-6 a-d                 | Information unavailable |  |                                   |
|                                    | 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions |          | 305-7 a-c                 | Information incomplete  | Among the AGI subsidiaries, Emperador is the only subsidiary that has available data on air pollutants. Other subsidiaries have yet to develop their own tracking systems for monitoring air pollutants. |                                   |
| <b>WASTE</b>                       |   |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b> | 3-3 Management of material topics   | 64-65    |                           |                         |  |                                   |
| <b>GRI 302: Energy 2016</b>        | 306-1 Waste generation and significant waste-related impacts                          | 64-65    |                           |                         |  |                                   |
|                                    | 306-2 Management of significant waste-related impacts                                 | 64-65    |                           |                         |  |                                   |
|                                    | 306-3 Waste generated   | 64       |                           |                         |  |                                   |
|                                    | 306-4 Waste diverted from disposal  | 64       |                           |                         |  |                                   |
|                                    | 306-5 Waste directed to disposal  | 64       |                           |                         |  |                                   |



| GRI STANDARD/<br>OTHER SOURCE                          | DISCLOSURE   | LOCATION | OMISSION                  |                         |  | GRI SECTOR<br>STANDARD<br>REF. NO |
|--|--|----------|---------------------------|-------------------------|--|-----------------------------------|
|  |  |          | REQUIREMENT(S)<br>OMITTED | REASON                  | EXPLANATION  |                                   |
| <b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>               |  |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>                     | 3-3 Management of material topics  |          | 3-3                       |                         | The Group has not yet gathered the required information. |                                   |
| <b>GRI 308: Supplier Environmental Assessment 2016</b> | 308-1 New suppliers that were screened using environmental criteria                                      |          | 308-2 a-e                 |                         | The Group has not yet gathered the required information. |                                   |
|  | 308-2 Negative environmental impacts in the supply chain and actions taken                               |          | 308-3                     |                         | The Group has not yet gathered the required information. |                                   |
| <b>EMPLOYMENT</b>                                      |  |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>                     | 3-3 Management of material topics  | 43-45    |                           |                         |  |                                   |
| <b>GRI 401: Employment 2016</b>                        | 401-1 New employee hires and employee turnover   | 44       |                           |                         |  |                                   |
|  | 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | 45       |                           |                         |  |                                   |
|  | 401-3 Parental leave   |          | 401-3 a-e                 | Information unavailable | The Group has not yet gathered the required information. |                                   |
| <b>LABOR/MANAGEMENT RELATIONS</b>                      |  |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>                     | 3-3 Management of material topics  | 52-54    |                           |                         |  |                                   |
| <b>GRI 402: Labor/Management Relations 2016</b>        | 402-1 Minimum notice periods regarding operational changes   | 52-54    |                           |                         |  |                                   |
| <b>OCCUPATIONAL HEALTH AND SAFETY</b>                  |  |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>                     | 3-3 Management of material topics  | 50-52    |                           |                         |  |                                   |
| <b>GRI 403: Occupational Health and Safety 2018</b>    | 403-1 Occupational health and safety management system   | 50-52    |                           |                         |  |                                   |
|  | 403-2 Hazard identification, risk assessment, and incident investigation                                 | 50-52    |                           |                         |  |                                   |
|  | 403-3 Occupational health services   | 50-52    |                           |                         |  |                                   |
|  | 403-4 Worker participation, consultation, and communication on occupational health and safety            | 50-52    |                           |                         |  |                                   |



| GRI STANDARD/<br>OTHER SOURCE                                   | DISCLOSURE  | LOCATION | OMISSION                  |                         |  | GRI SECTOR<br>STANDARD<br>REF. NO |
|---|---|----------|---------------------------|-------------------------|--|-----------------------------------|
|   |   |          | REQUIREMENT(S)<br>OMITTED | REASON                  | EXPLANATION  |                                   |
| <b>GRI 403:<br/>Occupational<br/>Health and<br/>Safety 2018</b> | 403-5 Worker training on occupational health and safety   |          | 403-5 a                   | Information incomplete  | The Group was not able to consolidate the required information for inclusion to this report. Please refer to the annual and sustainability reports of each subsidiary. |                                   |
|   | 403-6 Promotion of worker health  | 50-52    |                           |                         |  |                                   |
|   | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 50-52    |                           |                         |  |                                   |
|   | 403-8 Workers covered by an occupational health and safety management system  | 50-52    |                           |                         |  |                                   |
|   | 403-9 Work-related injuries   | 50       |                           |                         |  |                                   |
|   | 403-10 Work-related ill health  | 50       |                           |                         |  |                                   |
| <b>TRAINING AND EDUCATION</b>                                   |   |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>                              | 3-3 Management of material topics   | 48       |                           |                         |  |                                   |
| <b>GRI 404:<br/>Training and<br/>Education 2016</b>             | 404-1 Average hours of training per year per employee   | 48       |                           |                         |  |                                   |
|   | 404-2 Programs for upgrading employee skills and transition assistance programs                                     | 49       |                           |                         |  |                                   |
|   | 404-3 Percentage of employees receiving regular performance and career development reviews                          | 100%     |                           |                         |  |                                   |
| <b>DIVERSITY AND EQUAL OPPORTUNITY</b>                          |   |          |                           |                         |  |                                   |
| <b>GRI 3: Material Topics 2021</b>                              | 3-3 Management of material topics   | 43-45    |                           |                         |  |                                   |
| <b>GRI 405:<br/>Diversity and Equal<br/>Opportunity 2016</b>    | 405-1 Diversity of governance bodies and employees  | 46       |                           |                         |  |                                   |
|   | 405-2 Ratio of basic salary and remuneration of women to men  |          | 405-2 a-b                 | Information unavailable | The Group has not yet gathered the required information.   |                                   |



| GRI STANDARD/<br>OTHER SOURCE                   | DISCLOSURE   | LOCATION   | OMISSION                  |                        |   | GRI SECTOR<br>STANDARD<br>REF. NO |
|---|--|--|---------------------------|------------------------|---|-----------------------------------|
|   |  |  | REQUIREMENT(S)<br>OMITTED | REASON                 | EXPLANATION   |                                   |
| <b>NON-DISCRIMINATION</b>                       |  |  |                           |                        |   |                                   |
| <b>GRI 3: Material Topics 2021</b>              | 3-3 Management of material topics  | 44-45  |                           |                        |   |                                   |
| <b>GRI 406: Non-discrimination 2016</b>         | 406-1 Incidents of discrimination and corrective actions taken                                 | The Group reported zero cases of incidents of discrimination.                    |                           |                        |   |                                   |
| <b>CHILD LABOR</b>                              |  |  |                           |                        |   |                                   |
| <b>GRI 3: Material Topics 2021</b>              | 3-3 Management of material topics  | 44-45  |                           |                        |   |                                   |
| <b>GRI 408: Child Labor 2016</b>                | 408-1 Operations and suppliers at significant risk for incidents of child labor                | The Group has no operations and suppliers at risk for incidents of child labor.  |                           |                        |   |                                   |
| <b>FORCED OR COMPULSORY LABOR</b>               |  |  |                           |                        |   |                                   |
| <b>GRI 3: Material Topics 2021</b>              | 3-3 Management of material topics  | 44-45  |                           |                        |   |                                   |
| <b>GRI 409: Forced or Compulsory Labor 2016</b> | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | The Group has no operations and suppliers at risk for incidents of forced labor. |                           |                        |   |                                   |
| <b>LOCAL COMMUNITIES</b>                        |  |  |                           |                        |   |                                   |
| <b>GRI 3: Material Topics 2021</b>              | 3-3 Management of material topics  | 56-57  |                           |                        |   |                                   |
| <b>GRI 413: Local Communities 2016</b>          | 413-1 Operations with local community engagement, impact assessments, and development programs | 56-57  |                           |                        |   |                                   |
|   | 413-2 Operations with significant actual and potential negative impacts on local communities   | 28-33  |                           |                        |   |                                   |
| <b>SUPPLIER SOCIAL ASSESSMENT</b>               |  |  |                           |                        |   |                                   |
| <b>GRI 3: Material Topics 2021</b>              | 3-3 Management of material topics  |  | 3-3                       | Information incomplete | The group is in process of consolidating the required information from its subsidiaries |                                   |
| <b>GRI 414: Supplier Social Assessment 2016</b> | 414-1 New suppliers that were screened using social criteria                                   |  | 414-1 a                   | Information incomplete |   |                                   |
|   | 414-2 Negative social impacts in the supply chain and actions taken                            |  | 414-2 a                   | Information incomplete |   |                                   |



| GRI STANDARD/<br>OTHER SOURCE                   | DISCLOSURE  | LOCATION   | OMISSION                  |        |             | GRI SECTOR<br>STANDARD<br>REF. NO |
|---|---|--|---------------------------|--------|-------------|-----------------------------------|
|   |   |  | REQUIREMENT(S)<br>OMITTED | REASON | EXPLANATION |                                   |
| <b>CUSTOMER HEALTH AND SAFETY</b>               |   |  |                           |        |             |                                   |
| <b>GRI 3: Material Topics 2021</b>              | 3-3 Management of material topics   | 55   |                           |        |             |                                   |
| <b>GRI 416: Customer Health and Safety 2016</b> | 416-1 Assessment of the health and safety impacts of product and service categories                 | 55   |                           |        |             |                                   |
|   | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | The Group reported zero cases of incidents of non-compliance with regulations concerning health and safety impacts of products and services. |                           |        |             |                                   |
| <b>CUSTOMER PRIVACY</b>                         |   |  |                           |        |             |                                   |
| <b>GRI 3: Material Topics 2021</b>              | 3-3 Management of material topics   | 56   |                           |        |             |                                   |
| <b>GRI 418: Customer Privacy 2016</b>           | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data  | 56   |                           |        |             |                                   |



# Annex

## Energy consumption outside the organization (2021-2022)

| Subsidiary    | Amount (GJ) |             |
|---------------|-------------|-------------|
|               | 2021        | 2022        |
| Megaworld     | 73,620.41*  | 21,116.47** |
| Travellers    | No data     | No data     |
| Emperador     | 316,244.09  | 162,731.79  |
| Golden Arches | No data     | No data     |

\*EELHI and GERI

\*\*EELHI only

## Air pollutants

Among the AGI subsidiaries, Emperador is the only subsidiary that has available data on air pollutants.

| Disclosure                  | EMI 2022                   | EMI 2021                |
|-----------------------------|----------------------------|-------------------------|
| NOx (kg/Ncm)                | 0.0006223 <sup>a,b,d</sup> | 0.000835 <sup>b,c</sup> |
| SOx (kg/Ncm)                | 0.0009826 <sup>a,b,d</sup> | 0.001382 <sup>b,c</sup> |
| Particulate matter (kg/Ncm) | 0.0001406 <sup>a,b</sup>   | 0.000025 <sup>a,b</sup> |

Note: Data for this table is from <sup>a</sup>EDI; <sup>b</sup>AWGI; <sup>c</sup>Progreen; <sup>d</sup>BF; <sup>e</sup>PD; and <sup>f</sup>WMG

## Materials

| Non-renewable materials                     | Amount (in metric tons) |               |
|---|-------------------------|---------------|
|   | 2021                    | 2022          |
| Construction materials and building systems | 87,737.70               | 453,297.64    |
| Office supplies                             | No data                 | 16.22         |
| Building furnishing                         | 3.46                    | 374,911.50    |
| Packaging materials                         | 12,791.86               | 1,109,600     |
| Alcohol and glass bottle production         | 25,187.08               | 82,389,390.77 |
| Others (Cleaning materials, fuel, etc.)     | 34,457.58               | 15,963.02     |
| Renewable materials                         | Amount (in metric tons) |               |
| Construction materials and building systems | 83.53                   | 15,660.73     |
| Office supplies                             | No data                 | 77.12         |
| Packaging materials                         | 22,881.58               | 4,249,558.18  |
| Alcohol and glass bottle production         | 6,526,442.05            | 446,575.91    |
| Food supplies, dry goods                    | No data                 | 4,859.29      |
| Others (materials for product transport)    | 1,230.84                | 912.05        |





### Summary of 2021 Restatements (2-4)

The table below presents the summary of restatements for AGI Group and subsidiaries for the 2021 reporting period. These restatements were necessary due to the reevaluation of the subsidiaries' disclosures, application of new calculation methodologies\*, and other factors, including incomplete data and a lack of robust tracking and reporting systems from the previous year. The Group acknowledges these challenges and is committed to enhancing transparency and implementing improved reporting processes from this reporting year and onwards.

\*For GHG emissions reporting

| Disclosure                                       | Unit       | Subsidiary    | Previous value (AGI ASR 2021) | Restated to | Location of restatement |
|--|------------|---------------|-------------------------------|-------------|-------------------------|
| 302-1 Energy consumption within the organization | GJ         | Megaworld     | 1,492,412                     | 1,143,638   | 58                      |
|  |            | Travellers    | 409,926                       | 420,170     |                         |
|  |            | Emperador     | 19,653,374                    | 9,097,953   |                         |
|  |            | Golden Arches | 566,161                       | 501,007     |                         |
|  |            | AGI Group     | 22,121,873                    | 11,163,768  |                         |
| 303-3 Water withdrawal                           | Megaliters | Megaworld     | 5,031                         | 18,077      | 69                      |
|  |            | Travellers    | 55                            | 1,083       |                         |
|  |            | Golden Arches | 3,663                         | 1,933       |                         |
|  |            | AGI Group     | 16,846                        | 29,191      |                         |
| 303-4 Water discharge                            | Megaliters | Megaworld     | 7,890*                        | 16,741      | 69                      |
|  |            | Emperador     | 4,132                         | 3,023       |                         |
|  |            | Golden Arches | 3,419                         | 1,804       |                         |
|  |            | AGI Group     | 15,450                        | 21,576      |                         |
| 304-5 Water consumption                          | Megaliters | Megaworld     | 13,373                        | 1,337       | 69                      |
|  |            | Travellers    | 220,489**                     | 1,074       |                         |
|  |            | Emperador     | 6,306                         | 5,074       |                         |
|  |            | Golden Arches | 224                           | 128         |                         |
|  |            | AGI Group     | 240,393                       | 7,615       |                         |

\*Megaworld's 2021 water discharge data includes Megaworld and Empire East only.

\*\*Data of TIHGI, Hilton, Hotel Okura, and Marriott only



| Disclosure  | Unit               | Subsidiary                 | Previous value (AGI ASR 2021)     | Restated to                        | Location of restatement |
|---|--------------------|----------------------------|-----------------------------------|------------------------------------|-------------------------|
| 305-1 Direct (Scope 1) emissions                      | tCO <sub>2</sub> e | Megaworld                  | 4,236                             | 7,640                              | 61                      |
|   |                    | AGI Group                  | 107,080                           | 868,118                            |                         |
| 305-2 Indirect (Scope 2) emissions                    | tCO <sub>2</sub> e | Megaworld                  | 261,519                           | 205,967                            | 61                      |
|   |                    | AGI Group                  | 590,505                           | 517,002                            |                         |
| Total non-hazardous waste generated                   | metric tons        | Megaworld                  | 26,158                            | 34,163.16                          | 65                      |
|   |                    | Emperador                  | 191,370                           | 248,701.72                         |                         |
|   |                    | Golden Arches              | 429,766                           | 245.16                             |                         |
|   |                    | AGI Group                  | 648,425                           | 284,251.46                         |                         |
| Total hazardous waste                                 | metric tons        | Emperador                  | 162                               | 173.06                             | 65                      |
|   |                    | Golden Arches              | 415,115                           | 7,201.20                           |                         |
|   |                    | AGI Group                  | 415,379                           | 7,514.55                           |                         |
| 306-5 Total waste generated                           | metric tons        | Megaworld                  | 26,249                            | 34,291.16                          | 64                      |
|   |                    | Emperador                  | 191,532                           | 248,874.77                         |                         |
|   |                    | Golden Arches              | 844,881                           | 7,455.36                           |                         |
|   |                    | AGI Group                  | 1,099,804                         | 291,766                            |                         |
| 2-7 Employees   | head-count         | AGI Group                  | 38,246                            | 39,796                             | 9                       |
|   |                    | Number of female employees | 17,472                            | 20,299                             |                         |
|   |                    | Number of male employees   | 20,774                            | 19,497                             |                         |
| 401-1 New employee hires and employee turnover        | head-count         | AGI Group                  | Hires - 2009<br>Turnover - 11,343 | Hires - 2,430<br>Turnover - 11,691 | 43                      |
| 404-1 Average hours of training per year per employee | Hours/employee     | AGI Group                  | 39.21                             | 35.48                              | 48                      |
| Total training hours                                  | Number of hours    | AGI Group                  | 1,499,405                         | 1,176,800                          | 48                      |
| Safe man-hours  | Number of hours    | AGI Group                  | 26,829,362                        | 34,835,398                         | 50                      |
| No. of work-related ill-health                        | Number             | AGI Group                  | 1065                              | 1,114                              | 50                      |
| No. of safety drills                                  | Number             | AGI Group                  | 87                                | 91                                 | 50                      |

