



Sustainability Report

SUSTAINABILITY REPORT

Contextual Information

Company Details	
Name of Organization	Universal Robina Corporation
Location of Headquarters	Tera Tower, Bridgetowne, E. Rodriguez, Jr. Avenue (C5 Road), Ugong Norte, Quezon City, Metro Manila
Location of Operations	Philippines, China, Myanmar, Vietnam, Thailand, Malaysia, Indonesia
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	The economic section covers total URC, including Branded Consumer Foods (BCF) and Agro-Industrial and Commodities (AIC) business. There are some limitations on the coverage under the environment and social sections which will be mentioned in each segment. As the company continues in its sustainability journey, the coverage of the disclosure will be expanded.
Business Model, including Primary Activities, Brands, Products, and Services	<p>The business of URC is segmented into two main groups, the Branded Consumer Foods (BCF) and the Agro-industrial and Commodities (AIC).</p> <p>BCF forms majority of the business segment of URC. It is comprised of strong household brands from the snack foods and beverages. Snack foods is further segmented into savory snack chips, candies, chocolates, biscuits, cakes and noodles. Beverages is divided into powdered and ready-to-drink segments.</p> <p>AIC is composed of the Agro-Industrial Group, Sugar & Renewables Division and the Flour Division.</p> <p>The Agro-Industrial Group consists of Farms, Feeds, Food Services, and Drugs & Disinfectant business segments.</p> <p>Sugar & Renewables Division produces raw sugar, refined sugar, molasses, bioethanol, power export, liquid CO₂, extra neutral alcohol and rectified spirit.</p> <p>The Flour Division produces hard and soft wheat flour for both commercial and institutional markets, and offers flour by-products such as wheat germ, bran, and pollard.</p>
Reporting Period	January 1, 2023 to December 31, 2023
Highest Ranking Person responsible for this report	David J. Lim Jr. Chief Supply Chain and Sustainability Officer

Materiality Process

<p>The identification of the materiality process began when the first Sustainability Report of URC was published in 2016 with reference to the Global Reporting Initiative (GRI) standards.</p> <p>The exercise required the involvement of all relevant stakeholders and leaders of the organization in the identification of the company’s most important focus areas.</p> <p>This involved a group-wide materiality assessment, which started with an extensive stakeholder engagement defined by the leadership team and key people in the organization, namely, international business partners, shareholders, employees, consumers/customers, suppliers, government, and local communities.</p> <p>This rigorous exercise gave us a perspective on how to further understand the opportunities and gaps, which helped define the five sustainability focus areas specifically, Natural Resources, People, Product, Supply Chain, and Economic Contribution. Having the well-defined focus areas gave people the north star direction on where the company should focus its resources and expertise to yield the most impact.</p> <p>I. IDENTIFY & ENGAGE</p> <p>A. BENCHMARKING: The exercise started with an industry benchmarking process versus the company’s peers in the food and beverage industry.</p> <p>B. STAKEHOLDER ENGAGEMENT: A series of engagements were conducted via survey testing and focus group discussions with identified key stakeholders, both internal (senior leadership team and employees from the Philippines and across the Region) and external (consumers, suppliers, local community partners, regulators, and key institutional investors).</p> <p>II. PRIORITIZE & DESIGN</p> <p>The materiality process assessed a range of issues facing the business, and the food and beverage industry as a whole, identified through the following: group-wide stakeholder engagement process, industry benchmarking, external ratings and reporting frameworks, and reports from industry and multilateral organizations.</p>

In terms of scope and boundaries, the material issues have been defined from those within management control, with respect to the principles of relevance to business, business control, completeness, stakeholder inclusiveness, and materiality.

The materiality in 2016 continues to evolve, given the changes in business conditions, its alignment to United Nations’ Sustainable Development Goals (SDG) as well as its relevance to key stakeholders.

From the preliminary results, further evaluation was conducted for each of the material areas to firm up the materiality or key focus areas based on the following principles: people, trust, value, and risk & opportunity.

PHASE 1:

1. Natural Resources

The natural resources materiality is based on how the company will address operational efficiency, such as the use of energy and water in its operations which will eventually free up capital for reinvestment.

This also addresses the resultant wastes in terms of production as the company further optimizes its processes and looks at opportunities in embedding resource efficiency principles.

2. People

This material area encompasses both internal and external stakeholders such as employees and the local community partners. It looks at people engagement and how it contributes to the success of the business operations through knowledge transfer and capacity building.

3. Products

Product materiality looks at both the material composition (raw materials and packaging) and the manufacturing process of the product. This includes food safety & quality, product innovation and wellness criteria.

PHASE 2:

4. Supply Chain

The supply chain management materiality promotes good, long-term supplier relationships across the business units. This covers how the company influences its suppliers in transforming their process towards traceability, and responsible sourcing & practices.

5. Economic Performance

This materiality is anchored to the company's values towards shared success and inclusive growth with its stakeholders. This includes embracing business practices that protect and enhance its people and the natural resources thus ensuring that the business including its people, consumer base, and the local communities where it operates in will continue to thrive with a sustainable future.

III. FEEDBACK

The identified materiality areas were presented to the sustainability steering committee of URC for approval. This was then cascaded during the JG Leadership Summit in the 4th quarter of 2017, which was attended by the top 400 leaders of the group including the senior leaders of URC.

IV. MODIFY

To supplement Phase 1, the company conducted a baselining exercise in 2018 and was able to develop its long-term strategies, and Key Performance Indicators (KPIs) by 2019. This was communicated to all its business units across the region.

By 2020, the organization renewed its 3-year sustainability strategies aligning it with the UN SDGs and supporting Phase 1 of the Sustainability journey which focused on People, Natural Resources, and Product. At the same time, the company accelerated Phase 2 by developing goals and actions to promote responsible sourcing of key ingredients such as palm olein, potato, corn, cocoa, tea and coffee beans.

In 2021, URC coined the term six (6) focus areas for these material topics covering People & Communities, Climate Action, Water, Product, Packaging and Sourcing. The company also renewed its commitments and refreshed its targets for each. In the same year, URC became the first Fast Moving Consumer Goods (FMCG) supporter of Task Force on Climate-related Financial Disclosure (TCFD) in the Philippines.

In 2022, URC consulted a leading expert in data and risk analysis that specializes in sustainability and usage of natural resources. From the engagement, URC had a better view in prioritizing the allocation of its resources and identification of opportunities for improvement based on its current state versus committed targets.

In the same year, the Sustainability Transformation Office (STO) Steering Committee headed by the company’s President & CEO was formed. The committee is mandated to lead the sustainability transformation of URC.

The company's Board of Directors Corporate Governance Committee was amended to incorporate sustainability and was aptly renamed to the Corporate Governance and Sustainability Committee (CGSC), expanding its oversight to include functions on the Economic, Environment, Social and Governance aspects of sustainability, in addition to its existing mandate of the development of Corporate Governance principles and policies. Currently, it is composed of 3 independent directors.

In 2023, the ESG scores and sustainability focus areas performance were reviewed quarterly by the STO Steering committee. Based on the good progress, specifically for water and wellness criteria, targets have been upgraded.

The company will continue to assess and address Environment, Social, and Governance (ESG) performance using internationally recognized reporting standards and frameworks.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Quantity	Units
Direct economic value generated (revenue)	158,697	In million PHP
Direct economic value distributed:	154,864	In million PHP
a. Employee wages and benefits	17,457	In million PHP
b. Payments to suppliers, other operating costs	122,203	In million PHP
c. Dividends given to stockholders and interest payments to loan providers	9,986	In million PHP
d. Taxes given to government	5,198	In million PHP
e. Investments to community (e.g. donations & CSR)	20	In million PHP

Note:

- Employee wages and benefits include salaries and wages, other employee benefits, pension expense, direct labor under cost of goods sold (COGS) and contracted services
- Payments to suppliers and other operating costs include cost of sales, operating expense (excluding personnel cost, direct labor under COGS, contracted services, licenses and taxes), net foreign exchange gains (losses), market valuation loss on financial assets and liabilities at fair value through profit or loss – net, other income (expense)
- Dividends given to stockholders and interest payments to loan providers include dividends paid and finance cost
- Taxes given to government include provision for income tax and payments to government (taxes and licenses)
- Investment to community include key significant community engagement initiatives, food and beverage conducted by the company within the year
- Gross revenue includes sale from goods and services, and finance revenues

Impacts and Management Approach
<p>Impacts: About 98% of our revenue flows back to society. The remaining 2% is reinvested in the organization given that we are on the path to growth based on our 5-year strategy.</p> <p>Stakeholders: Shareholders, employees, regulators, consumers, communities where we operate in, suppliers, and customers.</p> <p>URC continues to ensure financial stability through operational improvements such as upgrading processes, performing regular reviews and follow ups for accounts receivables, retraining of employees, conducting regular audits, streamlining billing processes and communicating changes to third party service providers, mitigating declining market value of assets, efficient sourcing of input materials, and foreign exchange risk mitigation, among many others.</p>

Risks and Management Approach
<p>Risks and Management:</p> <p>1) Competition The Company faces competition in all its business segments both in the Philippine and in the international markets where it operates in. The Philippine food industry in general is highly competitive.</p> <p>Although the degree of competition and competitive factors vary among the different segments where the company plays in, the company believes that price, product quality, brand awareness & loyalty, distribution network, proximity of distribution outlets to customers, product variations, and new product launches are key risk areas for the business.</p> <p>The Company’s ability to compete effectively is due to the continuous efforts in selling and marketing its existing products, new product developments and launches, and cost rationalization.</p> <p>2) Financial Market The Company has foreign exchange exposure primarily associated with fluctuations in the value of the Philippine Peso against the U.S. dollar and other foreign currencies. Majority of the Company’s revenues is denominated in Pesos, with certain portion of its expenses, including debt servicing and raw material costs, denominated in U.S. dollars or based on prices determined in U.S. dollars.</p> <p>Prudent fund management is employed to minimize effects of fluctuations in interest and currency rates.</p> <p>3) Raw Materials The Company’s operations are highly dependent on obtaining adequate supplies of raw materials in a timely manner. Its profitability is also dependent on procuring good quality materials at a competitive price.</p> <p>To mitigate these risks, multiple alternative sources of raw materials are considered in the Company’s sourcing strategy. The company also established the Supplier Code of Conduct for the purpose of ensuring that suppliers adhere to the company’s requirements of quality, food safety, and responsible sourcing among others.</p> <p>4) Food Safety Concerns The Company’s business could be adversely affected by an actual or alleged contamination or deterioration of its products, or of similar products produced by third parties. The risk of contamination or deterioration of its food products exists at each stage of the production cycle, including the purchase and delivery of raw materials, processing and packaging, stocking and delivery of the finished products to customers, and the storage and display at the points of final sale.</p>

The Company conducts extensive research and development for new products, line extensions and enhancements to existing products, improvements in quality control and packaging, and tailoring products to meet the local preferences in the international markets.

For its agro-industrial business, its researchers are continually exploring advancements in breeding and farming technology. The Company regularly conducts market research and farm-testing for all of its products and ensures that the products are safe for human consumption, conforming to the standards and quality measures prescribed by regulatory bodies such as Bureau of Food and Drugs, Sugar Regulatory Authority, Bureau of Animal Industry, and Department of Agriculture.

5) Livestock Mortalities

The Company’s agro-industrial business is greatly affected by the outbreaks of various diseases. The Company faces the risk of outbreaks of Foot and-Mouth Disease and African Swine Fever, which is highly contagious and destructive to susceptible livestock such as hogs, and Avian Influenza or bird flu for its chicken farming business. These diseases and many other types could result to mortality.

Disease control measures are adopted by the Company to minimize and manage these risks.

6) Intellectual Property Rights

Approximately 69% of URC’s sale of goods and services in 2023 were from its branded consumer foods segment. The Company has put considerable efforts to protect the portfolio’s intellectual property rights, including trademark registrations. Security measures are continuously taken to protect its patents, licenses, and proprietary formulae against infringement and misappropriation.

7) Weather and Catastrophe

Severe weather conditions may have an impact on some aspects of the Company’s business such as its sugar cane milling operations due to reduced availability of sugar canes. Weather conditions may also affect the Company’s ability to secure sufficient raw materials and impact the cost to purchase these.

Moreover, the Philippines has experienced a number of major natural catastrophes over the years including typhoons, droughts, volcanic eruptions, and earthquakes that may also affect the Company’s operations.

Sufficient inventory levels are maintained to neutralize any possible shortfall of raw materials from unforeseen supply constraints both for locally-sourced and imported materials.

Physical risks brought by extreme weather conditions were evaluated by the company during the climate resilience project conducted by its parent company, JG Summit Holdings Inc. (JGSHI). Mitigation plans were developed to address the identified risks.

8) Environmental Laws and Other Regulations

<p>The Company is subject to numerous environmental laws and regulations relating to the protection of the environment and human health and safety, among others. These stringent laws and regulations may increase the cost of operating and may require future capital expenditures.</p> <p>The Company remains compliant with environmental laws and regulations mandated by the Department of Environment and Natural Resources (DENR) which are continuously evolving.</p> <p>Controls and policies that are financially conservative are also adopted to manage business risks.</p>

Opportunities and Management Approach
<p>URC recognizes that both financial and non-financial risks could grossly impact its bottom line, affecting its economic value distribution.</p> <p>In light of this, a more comprehensive approach at consolidating and understanding these risks will be made in the short- to mid-term horizon as part of our overall sustainability strategy.</p>

Climate-Related Risks and Opportunities

Governance, Risks, and Strategy
<p>Governance:</p> <p>As mentioned in the materiality process, the company's Board of Directors Corporate Governance Committee was amended to incorporate sustainability and was aptly renamed to the Corporate Governance and Sustainability Committee, expanding its oversight to include functions on the Economic, Environment, Social and Governance aspects of sustainability, in addition to its existing mandate of the development of Corporate Governance principles and policies. Currently, it is composed of 3 independent directors.</p> <p>Part of the responsibilities of the CGSC are:</p> <ul style="list-style-type: none"> • Provide guidance and oversee policy-making on the Company’s sustainability strategies, programs, initiatives and reports; • Ensure overall Company support and alignment with appropriate standards and best practices on EESG and sustainable development; and • Review and recommend the issuance and filing of URC’s Sustainability Report to the Board for approval prior submission to SEC and other government agencies <p>The Sustainability Transformation Office (STO) Steering Committee, led by the President & CEO, drives the sustainability strategies of the company. The STO includes Project Management and Center of Excellence (COE) units, focusing on key areas like Climate Action. The Project</p>

Governance, Risks, and Strategy
<p>Management unit spearheads the feasibility and implementation of programs and initiatives that addresses threats and risks related to the sustainability focus areas, while the COE the oversees the communication to all key stakeholders and enhances sustainability literacy in the organization through trainings and learning sessions.</p> <p>Risks:</p> <p>The use of natural resources is an important component on how the company creates value for its stakeholders. The rise in global mean temperature and other climate related risks have a substantial impact not only in its direct operations, but also in the end-to-end supply chain. On the upstream, it may pose disruptions to its procurement operations in terms of availability and quality of raw materials. On the downstream, it may affect the behavior of consumers and their purchasing power.</p> <p>URC recognizes the following key risks areas in its value chain as a result of climate impact:</p> <ul style="list-style-type: none">• Reputational Risk• Strategic Risk• Operations Risk• People Risk• Financial Risk• Compliance Risk• Emerging Risk <p>Strategy:</p> <p>Climate action is embedded under the “People and Planet Friendly Culture” strategy to ensure utmost priority across the organization. The company also integrated its target on energy use to the “Supply Chain Transformation” strategy driven by the LEAN manufacturing program and supply chain optimization.</p> <p>As the company progresses in its sustainability journey, it will continuously develop climate mitigation and adaptation strategies aligned with Task Force on Climate-related Financial Disclosure (TCFD) recommendations.</p>
Risk Management
<p>URC adopts the Committee of Sponsoring Organizations (COSO) framework, conducting Enterprise Risk Management to identify, assess, and mitigate risks. Medium to very high severity risks are prioritized, validated with stakeholders, and addressed through mitigation responses.</p>

Risk Management
<p>Moreover, to mitigate these risks, environmental stewardship is incorporated in the company’s Environment Policy. The company commits to:</p> <ul style="list-style-type: none"> ▪ Reduce environmental impact by implementing initiatives in climate action and resource management. ▪ Move towards a low carbon economy through reduction of greenhouse gas emissions by switching to cleaner fuels, maximizing energy usage, and investing in renewable energy sources

Metrics and Targets
<p>URC commits to a low-carbon economy, aiming for a 30% improvement in Energy Use Ratio (EUR) by 2030 vs its 2020 baseline and achieve net zero carbon emissions by 2050. EUR is the measurement of energy consumption in relation to the total production volume, which covers all energy sources used by the company.</p> <p>In 2023, URC participated in the Climate Resilience Project led by the parent company, JG Summit Holdings Inc., where they tapped sustainability advisors for its climate scenario analysis aiming to evaluate the physical risks of the identified pilot site. The scope of service included baseline assessment, climate hazard characterization, and evaluation of climate risks and opportunities.</p> <p>For climate mitigation, the company will measure its greenhouse gas (GHG) emissions, targeting to baseline Scope 3 for priority key ingredients in 2024 while continuously reviewing scope 1 & 2 emissions.</p> <p>Moreover, the company integrated the “Sustainable Alternative Biofuels” squad and the “Solar at Scale” squad to form a combined team to look at alternative renewable sources of energy. The details of this squad can be found under the Energy Management, and GHG emissions portion of this report.</p>

Procurement Practices

Proportion of Spending on Local Suppliers

Disclosure	Units	2022	2023
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	%	61	55

Note: Data covers BCF-PH and BCF-INT which composed of direct materials (raw material and packaging material) only

Impact, Stakeholders, and Risks
<p>Impact: As a food and beverage business, procurement process plays a significant role within the value chain. The company recognizes that implementing an efficient and effective procurement process can provide timely and tangible cost improvements thereby increasing margin, ensuring safety and quality of goods purchased from suppliers, and keeping the company informed of supply chain issues and incidents.</p> <p>The procurement policies have set parameters on quality, traceability, and compliance. The company will make sure that it involves the quality management team in the procurement process to ensure safety and quality from the source. Implementing efficient and effective procurement practices can provide timely and tangible cost improvements to the company.</p> <p>Stakeholders: Suppliers, employees, customers, farmers, and local communities where it operates in</p> <p>Physical Risks: As part of business continuity, the company recognizes that the risks in severe weather conditions may have an impact on some aspects of the Company’s business, such as raw materials sourcing that will impact the cost of goods. As a food and beverage company, URC uses significant input materials to sustain its production. The availability of these raw materials can be affected by the changes in climate, especially climate-sensitive critical raw materials such as coffee, cocoa, potato, sugar and corn.</p> <p>These changes can affect the livelihood of the farmers where the company sources out its material requirements from and can result lower yield and quality of the harvest. On top of this, crisis situations such as a pandemic, geopolitics, war, and supply chain disruptions can pose serious risks in sourcing of raw materials, packaging, essential services, and spare parts.</p> <p>Currency Devaluation: 45% of raw and packaging input materials from domestic and international business (excluding Myanmar, China, Hong Kong and Singapore business units) are imported. If the Peso experiences devaluation especially against the US dollar, it may impact profitability.</p> <p>Breach: The company recognizes the risk once a supplier fails to deliver their commitments in the agreed-upon contract. This will potentially cause delays and production disturbances in the company.</p>
Management Approach to Impact & Risks
<p>The procurement practices are aligned with the company’s commitment to ensure the quality of products. Through the years, the company ensures that the finest sources of materials are utilized through stringent material, supplier accreditation and supplier management. It also shares best practices in terms of sourcing amongst its strategic partners like Danone of France, Nissin of Japan and Vitasoy of Hong Kong, where there are synergistic opportunities and learnings.</p> <p>Given that the company operates in different regions, and produces high-quality products, the input materials are sourced both locally and abroad. For the top materials (based on spending and the number of products that utilizes them), the company ensures that there are three different sources from different locations for business continuity. For other materials that may have less than three alternative sources, it has established an ongoing risk management program like alternative supplier qualification and alternative site qualification to support the process.</p>

Management Approach to Impact & Risks
<p>As for the company’s procurement process, the company centralizes its procurement function where negotiations are done in the headquarters to leverage scale, harmonize quality specifications, provide corporate visibility, and ensure alignment to URC’s policy.</p> <p>Physical Hedging: The company does forward contracts or physical hedging on specific raw materials that it believes will have material changes in price and/or face possible supply constraints.</p> <p>Vertical Integration: The sugar and flour milling operations of URC give the benefits in sourcing in terms of availability and quality management, especially since sugar and flour are part of the top 10 input materials in BCFG. On top of sugar and flour, the company has its own packaging division through URC Flexible Packaging.</p> <p>Supplier Accreditation Policy and Process URC oversees its procurement and sourcing processes, encompassing supplier accreditation, requirement identification, sourcing, contracting, and order fulfillment. This comprehensive approach ensures that the company consistently meets the needs of its stakeholders by engaging accredited suppliers and securing products at the right time, in the appropriate quality and quantity, and at the most competitive prices.</p> <p>Specific to food processing sector, URC emphasizes the importance of traceability for raw materials and production inputs. This commitment serves to uphold stringent food safety standards, reflecting the company's dedication to delivering products of the highest quality. Prioritizing proper procurement practices is integral to URC's strategy, preventing any lapses in achieving targets and objectives.</p> <p>To uphold these standards, URC adheres to its Supplier Accreditation Policy, detailed in Annex 3. This policy ensures that suppliers and contractors align with the company's stringent criteria for supply agreements. Suppliers and contractors undergo a meticulous accreditation process and receive orientation on URC's policies.</p> <p>URC follows group-wide policies on managing procurement, which is implemented through the Business Supplier Accreditation Team (BUSAT), supervised by each Business Unit’s Procurement team.</p> <p>Supplier Code of Conduct URC established a set of standards to enable the company to pursue long-term business relationships with its partners based on responsible practices, transparency, and trust. The Supplier Code of Conduct which contains requirements on Business Integrity, Social, and Environment is communicated to all suppliers of URC for compliance. If non-compliance is raised and validated, suppliers are expected to resolve the issues and take necessary corrective actions promptly. Failure of suppliers to implement the recommended corrective actions in a timely manner gives URC the right to suspend or terminate business relationship until the corrective actions have been executed.</p>

Management Approach to Impact & Risks
<p>Food Safety and Quality Management Systems across the Value Chain</p> <p>URC’s passion for quality is anchored on the vision of providing its customers with brands of exceptional quality and value. Compliance to URC’s Food Safety and Quality Management System standards are strictly implemented within and quality at the source is heavily promoted to supplier partners.</p> <p>Supplier Food Safety and Quality Management System (FSQMS) Audits are conducted based on supplier risk assessment and supplier prioritization criteria to ensure the quality and safety of goods supplied to the company.</p> <p>Sustainable Procurement</p> <p>To promote responsible sourcing of raw and packaging materials, demonstrate environmental stewardship, and enable sustainable development of communities where the company operates, the company launched the Sustainable Procurement Program to revolutionize and lead the transformation towards the sustainable supply chain through the integration of 7 core subjects: organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues and community involvement in developing a holistic procurement and sourcing strategy.</p> <p>Responsible sourcing: 44% of the palm olein procured and used by the company in its operations in 2023 was RSPO Certified, ensuring the implementation of the highest standards and industry practices in the sourcing of palm olein and its derivatives. Also, 100% of the company’s chipping potatoes were sourced from GAP-certified suppliers. The AIG business unit has been continuously using soybeans with the Sustainable US Soy Seal, receiving recognition from the US Soybean Export Council as the first company to use this in Southeast Asia in the previous year.</p> <p>Sustainable farming: The company continuously helps the local farmers increase their yield and scale-up productivity by providing high quality table potato seeds as farm inputs to selected potato farming communities in Benguet, Bukidnon, and Davao del Sur through the Sustainable Potato Program.</p> <p>Project Salig was also continuously implemented supporting the sugar cane farmers in Negros, and Batangas, in partnership with the local government. Further details are discussed under Relationship with Community section.</p> <p>Supplier Engagement Forum: Last November 10, 2023, the company conducted another virtual Forum attended by more than 180 suppliers. The key highlight of the program was the webinar on GHG Emissions provided by an external expert from the Carbon Trust, emphasizing the importance of starting with carbon footprint measurement to know where the highest carbon impact is and where to prioritize the decarbonization efforts, to balance effort with value on data collection and footprint calculation, and prioritize areas where emissions are more material. The important documents for submission, Supplier Code of Conduct and supplier disclosure questionnaires, were also reiterated during the program.</p>

Management Approach to Impact & Risks
<p>Supplier Management Program</p> <p>To further strengthen its supplier network, the company established a robust supplier management process aimed at becoming the preferred business partner. This involves effectively managing a growing supplier base through supplier performance evaluations, leveraging supplier relationship management, and assessing and mitigating supplier risks.</p> <p>Supplier Awards</p> <p>URC held its inaugural Global Supplier Excellence Awards on April 14, 2023, recognizing outstanding supplier performance and contributions to the company's success. The event aims to enable suppliers to commit to continuously improve and be sustainable, recognize the exemplary performance of the organization’s suppliers and acknowledge those who made a difference and undoubtedly contributed to the success of URC in delighting everyone with good food choices. As a crucial component of the awards event, URC launched the UR Partner – Global Supplier Excellence Program last 2022, composed of Global Procurement, Quality Assurance, Planning and Sustainability teams. The program is anchored by 4 pillars, namely: Supplier Optimization, Supplier Performance Management, Sustainable Procurement and Risk Management & Supplier Engagement.</p> <p>The event kick-started with a welcome message from the Head of the Gokongwei Group, Lance Y. Gokongwei, who shared some insight at supplier partnerships throughout the years. The highlight was the awarding ceremony in six award categories such as UR Partner Collaboration, Quality Excellence, and Supplier of the Year. Over 35 awardees were acknowledged for excellence in quality, reliability, collaboration, sustainability, efficiency, and customer service. David J. Lim and Irwin C. Lee expressed gratitude for the essential contributions of suppliers in supporting URC's success and highlighted the importance of cultural collaboration for future growth.</p> <p>URC’s supplier recognition programs demonstrate the company’s endless commitment to improving and acknowledging efforts and contributions that strengthen and set up the company for success.</p> <p>These programs and activities contribute to the promotion of UN Sustainable Development Goals (SDG) 8,9 & 11.</p>
Opportunities, Stakeholders, Management Approach
<p>Key opportunities in URC’s strategy towards a more sustainable sourcing:</p> <p>1. Influence URC’s Suppliers Towards Responsible Sourcing and Traceability - As the company focuses more on sustainable operations, it is critical for URC's raw and input materials to be traceable and responsibly-sourced, thereby ensuring that it upholds the highest food safety standards. For example, palm olein, one of the critical raw materials, is already being sourced from Roundtable on Sustainable Palm Oil (RSPO)-certified suppliers like Cargill, Oleo Fats & Tap Oil. Moving forward, given that Supply Chain is part of its materiality, it endeavors to</p>

Opportunities, Stakeholders, Management Approach
continuously influence the suppliers towards responsible sourcing through its accreditation process and implementation of the Responsible Sourcing Policy and Supplier Code of Conduct.
2. Strategic Partnerships and Programs – The company drives its sustainable sourcing on tea, potato, and corn with its signature and significant programs. It further increases its scale across markets where the company operates as it embeds sustainability in its international business strategy, ensuring inclusive growth and quality from the source.
3. Partnership with Suppliers for Innovation – The company started doing partnerships with some suppliers that will drive its competitive advantage. Operating on the belief that innovation can also be sourced from the company’s partners, this is an excellent opportunity to strengthen its sourcing practices further as it becomes more hands-on and involved with the suppliers in their respective operations.
4. Enhance Supplier Accreditation – The company continues to update the supplier accreditation process based on best-in-class practices on the input materials. Audit and management should cover tier 1 to tier 2 level of suppliers to ensure responsible sourcing.

Anti-Corruption

Training on Anti-Corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization’s anticorruption policies and procedures have been communicated to ¹	100	%
Percentage of business partners to whom the organization’s anti-corruption policies and procedures have been communicated to ²	100	%
Number of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

Note:
¹ 100% of new employees undergo onboarding training. The Code of Business Conduct and Offenses Subject to Disciplinary Action are part of the onboarding presentation. These policies and programs are also made available online for easy access to the rest of the employees for their reference and guidance.
² This accounts for total suppliers to whom the Code of Business Conduct, the Code of Discipline, and related Offenses Subject to Disciplinary Actions (OSDA) have been communicated to during the onboarding and orientation processes.

Upon onboarding, the board of directors (BOD) undergo an orientation on URC’s Code of Conduct which includes the Anti-Graft Corruption Policy. The Company is committed to promoting transparency and fairness to all stakeholders. The BOD sets the tone and makes a stand against corrupt practices by adopting an Anti-Corruption Policy and program. Some of the Company’s anti-corruption programs are embodied in the Code of Business Conduct and Ethics, Conflict of Interest, and OSDA, among others.

The anti-corruption policies and programs are made available online for easy access to all employees in the organization. An eModule on the Code of Business Conduct is also available in the Company’s training platform where all the employees are required to complete to gauge their comprehension and retention of the Company policies and guidelines.

The Company also has URvoice, a digital platform where employees and stakeholders can freely and securely share their observations and concerns on adherence to company purpose, values and policies including Anti-Corruption.

A Business Conduct and Ethics E-learning Course was shared last Dec. 7, 2023 and completed by the following members of the Board of Directors:

- 1. James L. Go
- 2. Lance Y. Gokongwei
- 3. Johnson Robert G. Go, Jr.
- 4. Patrick Henry C. Go
- 5. Irwin C. Lee
- 6. Christine Marie B. Angco
- 7. Rizalina G. Mantaring
- 8. Cesar V. Purisima
- 9. Antonio Jose U. Periquet, Jr.

Incidents of Corruption

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

Impacts and Risks
<p>Impacts: Corruption undermines URC’s ability to equitably distribute economic value to the right stakeholders. If rampant, it could erode a culture of integrity, transparency and trust that is necessary in ensuring collaboration between employees, innovation, and synergy between business units.</p> <p>Stakeholder: Employees, Management</p>

Risks: The company recognizes the risks associated with incidents of corruption, such as government penalties and reputational damage, which could subsequently result in plummeting of stock market price.

Management Approach for Impacts and Risks

Anchored on JG Summit’s anti-corruption program, URC is committed to promoting transparency and fairness to all stakeholders. The Board sets the tone and makes a stand against corrupt practices by adopting an Anti-Corruption Policy and program. Some of the Company’s Anti-Corruption programs are embodied in the Code of Business Conduct and Ethics, Conflict of Interest, and OSDA, among others.

The same are disseminated to all employees across the Company through trainings to embed them in the Company’s culture. New employees are oriented regarding policies and procedures related to Business Conduct and Ethics and similar policies. All employees are given periodic reminders. Further, all concerned employees are required to comply with the Self-Disclosure Activity on an annual basis, to disclose potential conflicts of interest.

The Company also has an established suitable framework for whistleblowing and ensures its enforcement to allow employees and other stakeholders to freely communicate their concerns about illegal or unethical practices without fear of retaliation, and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.

Conflict of Interest

The Company's Code of Business Conduct and Conflict of Interest Policy require employees to make a conscious effort to avoid conflict of interest situations such that his/her judgment and discretion are not influenced by considerations of personal gain or benefit. A conflict of interest may also occur because of the actions, employment, or investments of an immediate family member of an employee.

Conduct of Business and Fair Dealings

The Company's employees that recommend, endorse, or approve the procurement or sale of goods and services should make a conscious effort to avoid any conflict of interest situation in transactions that they are involved in.

Receipt of Gifts from Third Parties

The Company allows the acceptance of gifts only during the Christmas Season. There is no restriction in the value of the gift accepted. However, accepted gifts with an estimated value of over PHP 2,000 must be disclosed to the Conflicts of Interest Committee.

Compliance with Laws and Regulations

The Company ensures that all transactions comply with relevant laws and regulations. Any deficiencies are immediately rectified.

Respect for Trade Secrets / Use of Non-Public Information

The Company has policies that ensure proper and authorized disclosure of confidential information. Disclosures to the public can only be done after disclosure to the SEC and PSE by the Company's authorized officers.

Use of Company Funds, Assets, and Information

Employees are required to safeguard Company resources and assets with honesty and integrity. Employees must ensure that these assets are efficiently, effectively, and responsibly utilized.

Employment and Labor Laws and Policies

The Company's Human Resources Unit ensures compliance with employment policies and labor laws.

Disciplinary Actions

Violation of any provision of the Code of Business Conduct may result to disciplinary action, including dismissal and reimbursement for any loss to the Company that result from the employee's actions. If appropriate, a violation may result in legal action against the employee or referral to the appropriate government authorities.

Whistle Blower

Any employee may discuss or disclose in writing any concern on potential violation of the Code of Business Conduct with the Conflicts of Interest Committee (CICOM). Reports or disclosures can be made in writing or by e-mail. All information received in connection with the reports or disclosures shall be strictly confidential and shall not be disclosed to any person without prior consent of CICOM.

Conflict Resolution

The CICOM submits recommendations on courses of action to be taken on conflicts of interest situations. Decision is made by the Executive Committee. Integral to URC’s Purpose, Values, and Ambition (PVA), which employs a four-pronged approach to cultivating trust within the organization, the Open-Door Policy is a management commitment to leave the proverbial door open to all employees and cultivate trust across all levels in the chain of command.

Opportunities & Management Approach

URC sees an opportunity in developing platforms where updates in anti-corruption policies can be cascaded internally, through retraining and via the Company’s numerous communication channels. There is also an opportunity to evaluate the effectiveness of the policies covering anti-corruption, especially the channels through which complaints may be filed.

ENVIRONMENT

Resource Management

Energy Consumption within the Organization

Disclosure	Units	2022	2023
Energy consumption (Renewable sources) ¹	GJ	1,414,399	1,770,018
	%	20	24
Energy consumption (Electricity from non-renewable)	GJ	948,192	832,217
	%	13	11
Energy consumption (Fossil fuel) ²	GJ	4,754,917	4,771,391
	%	67	65
Energy consumption (Total)	GJ	7,117,508	7,373,626
Energy Use Ratio (EUR) ³	GJ/MT	2.65	2.70
Energy Intensity	GJ/MnPHP	47.48	46.56

Note:

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

¹ Renewable sources include power generated from solar, biomass/biogas owned facilities, and electricity purchased from the renewable energy sources

² Fossil fuel includes diesel, bunker, LPG, LNG, CNG used in operations and gasoline used in company-owned vehicles

³ EUR is the measurement of energy consumption in relation to production volume

Impact, Stakeholders, and Risks
<p>Impact:</p> <p>The company recognizes that energy costs are among the major operating expenses in our production and high energy consumption affects the per-unit production costs and margins. Additionally, higher energy consumption from non-renewable sources can potentially impact air quality and contribute to increased carbon emissions resulting to increased global temperature and climate change. The company can also be exposed to energy regulations such as the Energy Efficiency and Conservation Act.</p> <p>Stakeholders: Employees, regulators, and local communities where it operates in</p>

Impact, Stakeholders, and Risks
<p>Risks:</p> <p>The company recognizes the risks to energy security due to increased competing demands from energy intensive sectors, including domestic consumption. The company also recognizes that energy generation from traditional sources can create a negative impact to air quality, health, and contribute to climate change. Overdependence on fossil fuels also exposes the country to fluctuations in energy prices, which has financial implications to the business.</p> <p>Physical Risks: The country has experienced several typhoons, flooding and drought that have a direct impact to the entire supply chain operations.</p> <p>Regulatory Risks: URC acknowledges the presence of regulatory risks in all markets where the company operates, and how this can affect operations. Compliance is always followed in the handling, storage, use and disposal of these fuels. The company uses different types of fuel to generate energy, such as diesel, bunker, liquified petroleum gas (LPG), coal, electricity, compressed natural gas (CNG), and liquefied natural gas (LNG). Total consumption per energy source is reported to the Department of Energy.</p> <p>Capital Market Risks</p> <p>As investors are becoming more conscious in responsible investing, sustainability has become a critical value driver aside from financials, with climate becoming a more common parameter in their negative screening process. URC’s investors have started to request more action towards climate risk as they demand a more deliberate climate action strategy, actionable plans, progress, and transparency.</p> <p>Market Risks due to Price Competitiveness</p> <p>Higher energy can affect cost to produce which will give less room to manage prices if there’s a significant inflation in the input materials.</p>
Management Approach on Risks and Impact
<p>Management approach:</p> <p>The company is committed to substantially improve the energy consumption of its facilities by improving the Energy Use Ratio (EUR) by 30% in 2030 versus 2020 baseline. EUR is the measurement of energy consumption per volume produced. This covers all energy sources of the company.</p> <p>Compared to its 2020 baseline energy consumption, the company has increased its EUR by 6%.</p> <p>However, the increase in energy consumption also involves a higher utilization of renewable energy.</p>

Management Approach on Risks and Impact		
As incorporated in its Environment Policy, the company commits to:		
<ul style="list-style-type: none">• Reduce environmental impact by implementing initiatives in climate action and resource management.• Move towards a low carbon economy by reducing greenhouse gas emissions by switching to cleaner fuels, maximizing energy usage, and investing in renewable energy sources		
To drive this commitment, URC continuously implements LEAN Manufacturing methodology under the Supply Chain Transformation strategy which aims to lower production downtime, reduce waste, minimize GHG emissions, and optimize the use of natural resources. The LEAN Manufacturing program is currently being implemented and replicated across the operations under the Branded Foods Business.		
Through the Sustainability Transformation Office, agile squads were formed to conduct feasibility studies and continuously implement energy efficiency programs. The updates of these programs were tracked and consolidated on a quarterly basis.		
Solar Rooftop installation in URC sites		
Since 2019, solar rooftops were installed across URC sites with a total of USD 8 Million in capital investments.		
A total of 15,000 kWp were installed across BCFG PH and Intl sites with the following details:		
Plant	Capacity (kWp)	Date of Operation
BCFG Philippines	4,500.07	
Calamba 1	3,500.00	2022-Oct
Canlubang	1,000.07	2019-Jun
BCFG International	10,533.78	
Malaysia - Batu Pahat	1,738.88	2020-Aug
Myanmar	319.00	2022-May
Vietnam - Coffee Plant	2,850.00	2022-Jun
Thailand - P1	993.60	2021-Oct
Thailand - P2/3	1,738.80	2021-Dec
Thailand - P4	1,245.60	2021-Aug
Thailand - P5	648.00	2021-Jul
Thailand - P6	999.90	2020-Jan
Through this initiative, 82, 353 GJ of energy used in the operations comes from solar energy in 2023.		

Management Approach on Risks and Impact
<p>Utilization of Biomass & Biogas</p> <p>The company uses biomass and biogas as fuel to boilers to generate steam and electricity used in its operations. The Sugar and Renewables (SURE) sites uses bagasse for the boilers of its sugar mills while bagasse, biogas and spent wash were used in its distillery.</p> <p>For BCFG plants, palm kernel shells, coffee spent grounds, wooden pellets and cotton trash were used as alternative fuel for boilers to generate steam used in operations. Biogas from discarded animal wastes were also used in AIG sites.</p> <p>Through this initiative, 837, 611 GJ of energy consumption comes from biomass & biogas utilization.</p> <p>Purchased Electricity from Renewable Energy Sources</p> <p>Boosting the company’s transition to renewable energy sources, the company has signed agreements with various retail electricity suppliers to supply more than 20 of the local facilities with geothermal, solar, and hydro power sources until 2025.</p> <p>Through this initiative, 850,054 GJ of electricity consumed in 2023 comes from Renewable Sources which constitutes 51% of total purchased electricity.</p> <p>Energy & Its Alternatives.</p> <p>In 2023, the STO stood up the Energy and Its Alternatives squad combining the Sustainable Alternative Biofuels and Solar-at-scale squads previously established with key focus in BCFG Philippines.</p> <p>The project objectives include:</p> <p>Energy Efficiency: Reduce the energy usage for BCFG Philippines in 2023 vs prior year</p> <p>Sustainable Partnerships: Identify cost-efficient and sustainable energy technology suppliers of alternative fuels.</p> <p>In 2023, through the establishment of teams focusing on electricity, coal & LPG, the squad achieved impressive results:</p> <ul style="list-style-type: none"> <p>Achieved 1.21% reduction in energy consumption through:</p> <p>Energy efficiency initiatives - conduct of energy audits to identify top electricity consumers and address these by rectifying chiller inefficiencies through improvement of insulation piping temperature setting and regular preventive maintenance to ensure top running conditions. LED installations to 9 out of 17 BCFG plants</p> <p>Energy conservation practices – just on time start-ups reducing on pre-heating time, calibration of burners and de-sooting</p>

Management Approach on Risks and Impact
<ul style="list-style-type: none">• Maintained a record of zero Notice of Violation on Boiler emissions• Generated Php 23.74 million savings for solar & sub heater projects <p>Currently, BCFG PH has two energy auditors and all its maintenance managers have been certified as Energy Managers reflecting the company’s dedication to upholding the highest energy efficiency standards.</p> <p>Environment Recognition Programs</p> <p>The company established an internal Sustainability Awards to recognize the URC plants and facilities and individuals in their pursuit of sustainability excellence and their contributions in driving URC towards its ambition of becoming a Sustainable Global Enterprise, specifically in the aspects of Quality, Efficient Resource Management, and Safety, Health, and Well-being.</p> <p>GREEN Excellence in Environment is awarded to a URC facility/plant and PCO with high optimization and responsible resource management in terms of energy and water consumption, waste management and environmental compliance. The company also recognizes best in class facilities in Government and Legal Compliance, Resources Optimization (Waste Minimization), Efficient Water Use, Energy Efficiency and Nature Protection. In 2023, the winner for the GREEN Excellence Awards and its category specifically for Energy Efficiency Management was:</p> <p>GREEN Excellence in Environment Award URC - La Carlota Sugar Mill</p> <p>Category Awards Best in Energy Efficiency Management: URC La Carlota Sugar Mill</p> <p>La Carlota Sugar Mill demonstrates its commitment to continuously evaluate and improve its energy management.</p> <p>The energy initiatives of the company mentioned above contributes positively to the SDGs 7,9, &13.</p>

Opportunities and Management Approach
<p>Opportunities:</p>
<p>Operating Efficiencies</p> <p>As the threat of climate change increases, companies like URC are looking for opportunities to increase the efficiency of existing processes and cultivate the growth in renewable resource practices within the system.</p>
<p>Technology</p> <p>The rise of Industry 4.0 across the world has demonstrated efficiencies in different industries. This is seen as a great opportunity to save in both financial and natural resources as well as improve operating efficiency. Installation of sensors will give operations a more agile approach in addressing problems quickly as well as effectively measure what can be improved.</p>
<p>Management Approach:</p>
<p>Lean Mindset</p> <p>The company continues to implement the “LEAN mindset” across the facilities. The use of LEAN mindset enabled savings piloted in Calamba and replicated in other plants. The LEAN mindset enabled the organization to be more responsive towards addressing issues raised by operations, who are now enabled by upskilling of appropriate capabilities via training and education, immersion on the job and use of available analytical tools and techniques.</p>
<p>Renewable Sources</p> <p>URC sees great opportunity in utilizing renewable sources of energy available in the sites. The sustainable energy utilization initiatives reduce URC’s reliance on fossil fuels and purchased electricity by utilizing readily available materials in the plants, such as bagasse, biomass, and solar power generated from solar rooftop installations.</p> <p>URC has invested resources to upgrade the plants by making them adaptive to renewable sources of energy. The company has put up biogas digesters, biomass-fed boilers, and solar panel systems; to generate renewable sources of energy for its use and intends to increase its capacity in the coming years. At the same time, the company exports excess power to the grid.</p>

Opportunities and Management Approach
<p>Agile squads were formed to continuously conduct feasibility studies, trials and implementation plans to increase utilization from renewable sources and exploration of other green fuel technologies and sustainable technologies to reduce coal consumption.</p> <p>URC’s long-term goal is to have all the plants utilize electricity from 100% renewable energy by 2025.</p> <p>URC commits to sustainable practices, investing in renewables, reducing emissions, and building a culture of environmental responsibility. Continuous improvement and alignment with global sustainability goals drive URC's journey towards a more eco-friendly and resilient future.</p>

Water Consumption within the Organization

Disclosure	Units	2022	2023
Water withdrawal ¹	Cubic meters	17,909,980	18, 146,638
Water consumption ²	Cubic meters	12,719,238	10,830,007
Water recycled and reused ³	Cubic meters	707,810	939,100
Water intensity	Cubic meters / MnPHP	85	68
Water Use Ratio (WUR) ⁴	Cubic meters /tonne	6.62	6.82

Note:
 Data covers information of total URC (BCF-PH, BCF-INT, Flour, SURE, AIG, head offices, and external distribution centers in the Philippines)
¹ Water withdrawal is the volume of water extracted from ground water, surface water, sea water and third-party water
² Water consumption is computed as the difference between water withdrawal vs water discharge (found in effluents section)
³ Water recycled and re-used is the volume of water from wastewater and rainwater recovery
⁴ WUR is the measurement of water consumption in relation to production volume

Impact, Stakeholders, and Risks
<p>Impact: The nature of the business involves the use of water at every stage of the value creation process. As such, it is imperative to acknowledge and exercise accountability in practicing more efficient water management as it directly affects operational costs, the availability of the water supply, regulatory compliance, and overall business continuity.</p> <p>Stakeholders: The employees, the communities where the company operates, regulatory, and local government units</p> <p>Risks: URC is well aware of the role water plays in its value creation. In turn, the company realizes that water shortage or drought poses a significant risk, both directly and indirectly, to the value chain. A direct risk the company may face in such an instance is the interruption of day-to-day operations, given that water is a vital component of nearly every stage of the production line. Therefore predictably, a prolonged shortage may result in the halting of product manufacturing altogether in a time of drought.</p>

Impact, Stakeholders, and Risks
Indirectly, water shortage poses a risk to the company’s business. A prolonged shortage will lead to a dwindling supply and, consequently, an increase in procurement costs through alternative resources. Moreover, a shortage of such a scale may also urge an imposition of regulations on deep well extraction. This may also have adverse effects on the company’s supply chain and may therefore extend in their ability to deliver on the agreed upon conditions with URC. Consequently, assessing the supply chain in their readiness to operate in such circumstances is a necessary step for URC to take in order to ensure the continuity of its own operations.

Management Approach for Impact and Risks
<p>Management Approach:</p> <p>Realizing the importance of upholding sustainability across its value creation chain, URC has taken the responsibility of taking the necessary measures to safeguard its resources. In the case of water, this is done by measuring its Water Use Ratio (WUR) annually and tracking its progress towards its upgraded target of 40% reduction by 2030 vs the 2020 baseline data. The WUR is the measurement of water consumption in relation to production volume.</p> <p>The company commits to environment protection by continuing responsible water stewardship works to improve water use efficiency and to protect watersheds as embedded in the environment, health and safety policy.</p> <p>URC utilizes a mix source of water, from groundwater through deep wells, surface water, and municipal water. Notably, URC SURE reduces its water consumption by using recycled water in its operation through its closed-loop system project.</p> <p>In addition to monitoring its progress towards its commitments, URC also adheres to the limits set by the National Water Resources Board (NWRB), monitoring its water withdrawal and ensuring its extraction rate is kept to what is allowable. The company's sites have flowmeters that track and monitor its water withdrawals from surface water sources and water bills from utility companies. The total water withdrawn per month is then reported to the sustainability data platform.</p> <p>In the past year, the company has reduced its WUR by approximately 26% against the 2020 baseline data. However, a marginal increase of 2% was observed in the water use rate against the 2022 data.</p> <p>The improvement vs. baseline was possible through the numerous water conservation initiatives URC undertook in the past year. These programs centered on three main principles of reducing, reusing, and recycling water in order to contribute to an improved WUR.</p> <p>Reduction Initiatives</p>

Management Approach for Impact and Risks
<p>In the company’s efforts to reduce water consumption, the installed harvesting units continued to be utilized to act as alternative sources of water for basic utility cleaning activities in various sites across URC. In 2023, a total of 139,125 cubic meters of rainwater was harvested. The company also increased its water efficiency through its continued use of level controllers and automatic shut off valves for feed water tanks in a number of Agro-Industrial Commodities (AIC) group sites. Leak detection and correction were also carried out in various sites across all business units.</p> <p>Reusing initiatives:</p> <p>In order to reuse water in its operations, steam recovery systems such as the construction of condensate lagoon and lines to recovery projects & make-up water have been put in place in select sites. This process returns condensate to be used as boiler feed water pre-heating. Cleaning-in-place (CIP) Rinse Water Reuse and Reverse Osmosis (RO) water reject recovery were also established. Moreover, the company reuses its water in the daily activities such as for cleaning of pallets, watering the greenery and for toilet- flushing.</p> <p>Recycling Initiatives:</p> <p>A number of URC sites utilize treated wastewater in spray ponds and wet scrubbers as a way to minimize water wastage. The company recycles its water by using non-virgin water in initial washing of some of our critical raw materials in snacks, such as unpeeled potato, which is considered one of the most water intensive activities in our value chain and by utilizing of waste water effluent for top up water for cooling towers.</p> <p>Despite the setback posed by the increase in WUR, the company continues to improve on and expand its current portfolio of programs as a steadfast commitment to reach its targets on water consumption.</p> <p>Lean Mindset:</p> <p>Realizing that there is no singular method to achieving the target set, the LEAN mindset continues to be implemented across the URC facilities. Recognizing that every facility faces nuanced yet similar challenges, the LEAN mindset enables the company to address issues tailored to the realities of the plants based on concerns brought forward by those most aware of and immersed in operations.</p> <p>Although the company has not evaluated its exposure to water risks in its direct operations, it recognized the need to conduct Source Water Protection Plan based on the result of source water vulnerability assessment (SVA) in the succeeding years.</p> <p>Environment Recognition Programs</p> <p>In 2023, under the Green Award, the category winner for Best in Water Management was awarded to Cavite Plant for its water usage reduction and recycling programs.</p>

Opportunities
<p>Opportunities:</p> <p>URC has the opportunity to further itself towards reaching the upgraded WUR reduction target of 40% by 2030 vs 2020 baseline data by incorporating innovative processes that would optimize water use. Through continued evaluation and reaction to the water use of plants, the company can continue to introduce improvements that will maximize the use of recycled water and minimize the use of virgin water. The company will stay up to date with best practices and adapt said practices to the needs of the plants in order to drive WUR reduction.</p> <p>Capital Expenditures for technologies and programs related to water are considered during financial planning.</p> <p>URC also plans to conduct Source Water Vulnerability Assessment in the succeeding years and leverage on current studies made on critical water areas in the country to investigate whether a portion of water withdrawn for this key commodity is from areas with water stress.</p> <p>The company is aware that its responsibility in preserving water resources does not end in simply usage reduction but also extends to protecting and rehabilitating at the source. Because of this, the company is committed in taking part in safeguarding the country’s watersheds as a part of its environmental responsibility.</p>
Management Approach for Impact and Risks
<p>The UN SDGs 6 and 15 are favorably impacted by these projects and activities.</p>

Other Materials used by the Organization

Disclosure	Units	2023
Materials used by weight or volume		
• Renewable ¹	Tonnes	1,113,662
• Non-Renewable ²	Tonnes	1,670
Percentage of recycled input materials used to manufacture the organization’s primary products and services ³	%	6.87

Note:
Data covers selected input materials needed for the manufacturing process but are not part of the final product. These include the process materials used as alternative fuel to generate energy and RPET materials.
Scope is total URC (BCF-PH, BCF-INT, Flour, SURE, AIG, and external distribution centers in the Philippines)
¹ Renewable materials pertain to coffee spent ground, spent tea leaves, bagasse, spent wash, molasses, chicken manure, and pit dung used as alternative fuel
² Non-renewable materials pertain to re-grind PET bottles reused to mix with virgin resin for bottle making of BCF-PH.
³ Percentage of recycled input materials is computed as the amount of re-grind PET used as feedstock divided by the total input materials (virgin resin + re-grind PET).

Impact, Stakeholders and Risks
<p>Impact: Effective use of these materials reduces both costs and GHG emissions created in production. This impacts direct operations like production waste which goes to landfills.</p> <p>Stakeholder: Employees, regulators, suppliers and local communities where it operates in</p> <p>Risks: The company acknowledges the risk of over extracting limited natural resources to set up more facilities or producing primary products is possible through the unchecked use of non-renewable resources.</p>
Management Approach for Impact and Risks
<p>URC focuses on finding solutions that lead to seamless and efficient operations. The responsible use of natural resources — intrinsic to the business — entails that the company minimizes its environmental impact and optimize synergies where possible, whether in the careful sourcing of raw materials from select suppliers, or in the proper use, reuse, or disposal of these same materials and the material by-products generated from the operations.</p> <p>URC’s commitment to quality usually entails rejecting packaging materials that do not pass inspection, however small the blemish or dent. Added to which, scrap plastics remain after the materials have been cut and folded or shaped into the desired packaging. Rather than dispose of these materials in a landfill, URC has found ways to reincorporate them into new products. For one, URC’s industrial scrap polyethylene terephthalate (PET) material – including bottle rejects – is grounded into PET flakes and mixed with virgin PET resin to create new containers. The company only upcycles materials within the system to ensure that the products are clean and do not impose a threat towards safety and quality.</p>
Opportunities and Management Approach
<p>There are opportunities to increase the use of recycled materials that URC can take advantage of by ensuring that the company keeps abreast of the latest information and applying them across business units when ready. PET is currently recyclable; it can look for ways to recycle other packaging materials such as films by converting multi-layer films into mono materials.</p>

Ecosystems and Biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units	Boundaries
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high	12.548	Ha	CMC Davao Flour Mill is located in Sasa Davao City, Davao del Sur situated on the gulf’s west coast. Davao city is among the four provinces that surrounds Davao Gulf which is conserved as Key Biodiversity Area.

Disclosure	Quantity	Units	Boundaries
biodiversity value outside protected areas			Davao Gulf situated in the southeastern part of Mindanao is one of the priority conservation areas of the Sulu-Sulawesi Marine Ecoregion. It is a breeding and nursery ground for small and large species, with frequent sightings of whale sharks, dugongs and leatherback turtles, among the list of species cited in the Convention on the International Trade of Endangered Species <i>(Source: World Wildlife Fund)</i>
Habitats protected or restored	20,959	Seedlings	URC-wide tree planting and nurturing activities were conducted across different sites.
IUCN Red List species and national conservation list species with habitats in areas affected by operations	0	#	The company has no operations affecting the habitats of species listed in IUCN Red list species and national conservation list species.

Note: Data covers information of total URC (BCF-PH, BCF-INT, Flour, SURE, AIG, and external distribution centers in the Philippines)

Impact, Stakeholders, and Risks
<p>Impact: Every component of the day-to-day operations interact with the environment such as the extraction of water and raw materials, usage of electricity, effluent discharges, generation of waste, and air emissions. These can potentially impact (directly and indirectly) the biodiversity and ecosystem of the areas including the boundaries where the businesses are located.</p> <p>If these environmental aspects were not managed effectively, it might lead to adverse impacts such as water, air and land-based pollution, contribution to climate change, and scarcity of food and material.</p>
<p>Stakeholder: Employees, Local Communities, Local Government Units (LGUs), and DENR</p>
<p>Risks: URC recognizes that changes in the biodiversity and ecosystems can pose significant threats to the flora, fauna and the people which might result in notable risks such as habitat loss, displacement of species, coral bleaching, and development of diseases in the local communities due to disturbances in the ecosystem. This might also affect business operations in various ways where day-to-day activities might be delayed and halted.</p>
Management Approach for Impact and Risks
<p>URC acknowledges that the business has an impact on the biodiversity and surrounding ecosystem. Therefore, embedded in the company’s environment policy, it is committed in preserving and protecting the environment by using resources sustainably in the communities where it operates. The company acknowledged its responsibility to comply with all the environmental laws to ensure that employees, surrounding communities, and the environment, are not exposed to any unnecessary amount of hazard due to the business operations. In addition, it is the</p>

company’s corporate social responsibility to conduct programs and activities that support conservation efforts, biodiversity preservation, and ecosystems protection. URC conducts company-wide environmental stewardship initiatives such as reforestation programs, coastal, river, and drainage clean-up drives, and mangrove planting activities.

In support to the Expanded National Greening Program (NGP) stated in Executive Order 193, SURE URSUMCO and PASSI have signed MOA with DENR CENRO to Adopt-a-Forest of 3 Ha in Tanglad, Manjuyod, Negros Oriental and 5 Ha in San Enrique, Iloilo. This partnership will rehabilitate the forest/watershed identified by DENR through establishment of seedling and plantation nursery as well as conducting maintenance and protection activities in 3 years. In addition, ESMO continuously conducted activities in its commitment to the adopt-a-creek program in partnership with their respective LGUs and MENRO/CENRO.

In 2023, collaborative efforts with various stakeholders resulted in the successful planting of 20,959 seedlings, consisting of various endemic species of trees and mangroves, fostering environmental sustainability.

Clean-up initiatives were also undertaken across URC sites, leading to the collection and responsible disposal of over 10 tonnes of plastic waste, effectively mitigating potential marine pollution.

Environment Recognition Programs

In 2023, under the Green Award in Environment – Best in Nature Protection category, La Carlota Sugar Mill was awarded for its programs aimed at preserving and safeguarding the natural environment. Through its initiatives and efforts, La Carlota Sugar Mill demonstrated a strong commitment to environmental stewardship and conservation, contributing positively to the protection of natural habitats and ecosystems.

As part of URC sustainability promise, the company plans to expand its adopt-a-watershed project by protecting nearby watersheds and forests near sites where URC operates in partnership with its stakeholders contributing positively to SDGs 12 and 15.

Opportunities & Management Approach

URC recognizes that there is a need to integrate biodiversity and ecosystems management into business policies, strategies, and operational processes. In addition, there is still a need to expand the company’s conservation efforts and improve the programs and activities that promote biodiversity and ecosystems protection. These will raise awareness among the employees through shared activities to protect the ecosystems. There is also the chance to build a strong relationship and camaraderie with the local communities, government agencies, and LGUs.

Environmental Impact Management

Greenhouse Gas Emissions

Disclosure	Units	2023
Direct (Scope 1) GHG Emissions	Tonnes CO2e	337,953
Energy indirect (Scope 2) GHG Emissions ¹	Tonnes CO2e	136,665
Total (Scope 1 + Scope 2) GHG Emissions	Tonnes CO2e	474,618
GHG Intensity	Tonnes CO2e/MnPHP	2.99
Emissions of ozone-depleting substances (ODS) ²	Tonnes	23.87

Note:
- GHG Emissions cover information of total URC (BCF-PH, BCF-INT, Flour, SURE, AIG, head offices, and external distribution centers in the Philippines) while ODS data covers manufacturing facilities of One URC (BCF-PH, BCF-INT, Flour, SURE, AIG)
- GHG Protocol requires that CO₂ emissions from biomass are tracked separately from fossil CO₂ emissions. Thus, Biomass CO₂ emissions are not included in the overall CO₂-equivalent emissions inventory.
¹ Computation of scope 2 ghg emissions used the market-based approach with emission factors from Retail Electricity Suppliers for Renewable Sources
² Ozone Depleting Substances cover the refrigerants consumed by the plants which include R22 / Freon, R134a, R404, R407, R410, R507, R141B, R417, R32. R22 will be phased out consistent with the phase-out schedule set by DENR Administrative Order (DAO) 2013-25.

Impact, Stakeholders and Risks
<p>Impact: URC’s air emissions are directly linked to its energy consumption. GHG emissions from the operations contribute to the overall amount of greenhouse gases sourced from anthropogenic activities, which is the single most significant driver of climate change. The company recognizes that reducing its GHG emissions will positively impact the organization and the environment. This extends beyond regulatory compliance, encompassing tangible benefits such as decreased production costs, and substantial savings on operational expenditures (OPEX). In prioritizing the mitigation of GHG emissions, URC not only aligns with environmental responsibility but also strengthens its operational resilience and economic sustainability.</p> <p>Stakeholder: Employees, regulators, suppliers and local communities where it operates in</p> <p>Risks: URC recognizes the numerous risks associated with climate change such as increased temperature and droughts, stronger typhoons, reduced water aquifers, and agricultural yields. These impact the operational activities of the company in various ways. Measuring and tracking its GHG emissions help the company better understand its contribution to climate change which also affects the assessment of its climate-related risks. Managing its energy consumption through efficient use of electricity and fuel reduces operational costs for all business units.</p>
Management Approach for Impact and Risks

Impact, Stakeholders and Risks
<p>URC’s strong commitment towards Climate Action is to move towards a low-carbon economy by optimizing use of renewable energy and by using offset mechanisms to reduce impact of GHG emissions.</p> <p>As incorporated in its Environment Policy, the company commits to:</p> <ul style="list-style-type: none"> • Reduce environmental impact by implementing initiatives in climate action and resource management. • Move towards a low carbon economy by reducing greenhouse gas emissions by switching to cleaner fuels, maximizing energy usage, and investing in renewable energy sources <p>The company also targets to substantially improve its energy consumption in the facilities by improving its Energy Use Ratio (EUR) by 30% by 2030 vs 2020 and by gearing towards achieving net zero carbon emissions by 2050.</p> <p>URC’s strategy towards achieving Net Zero by 2050 includes completing GHG emissions inventory targeting to baseline Scope 3 for priority key ingredients in 2024 while reviewing Scope 1& 2 emissions, and continuously mobilizing agile squads through the Sustainability Transformation Office to conduct feasibility studies and continuously implement energy efficiency programs, and carbon reduction initiatives.</p> <p>Through the mentioned initiatives under the Energy consumption portion, the company was able to reduce its GHG emissions.</p> <p>Solar Rooftop installation in URC sites</p> <p>With all the rooftop installations across URC sites, 82, 353 GJ of energy used in the operations comes from solar energy with an estimated avoidance of more than 13,600 tonnes of CO2 emissions.</p> <p>Purchased Electricity from Renewable Energy Sources</p> <p>Boosting the company’s transition to renewable energy sources, the company has signed agreements with various retail electricity suppliers to supply more than 20 of the local facilities with geothermal, solar, and hydro power sources until 2025.</p> <p>URC aims to achieve the utilization of 100% purchased electricity from renewable sources across all its plants by 2025. In 2023, a significant progress was made towards this goal, with 850,054 GJ of electricity sourced from renewable sources, constituting 51% of the total purchased electricity.</p> <p>Energy & Its Alternatives.</p> <p>In 2023, the STO stood up the Energy and Its Alternatives squad combining the Sustainable Alternative Biofuels and Solar-at-scale squads previously established with key focus in BCFG Philippines.</p>

Impact, Stakeholders and Risks
<p>The project objectives include:</p> <p>Energy Efficiency: Reduce the energy usage for BCFG Philippines in 2023 vs prior year</p> <p>Sustainable Partnerships: Identify cost-efficient and sustainable energy technology suppliers of alternative fuels.</p> <p>In 2023, through the establishment of teams focusing on electricity, coal & LPG, the squad achieved impressive results:</p> <ul style="list-style-type: none">Achieved 1.21% reduction in energy consumption through: Energy efficiency initiatives - conduct of energy audits to identify top electricity consumers and address these by rectifying chiller inefficiencies through improvement of insulation piping temperature setting and regular preventive maintenance to ensure top running conditions. LED installations to 9 out of 17 BCFG plants Energy conservation practices – just on time start-ups reducing on pre-heating time, calibration of burners and de-sootingMaintained a record of zero Notice of Violation on Boiler emissionsGenerated Php 23.74 million savings for solar & sub heater projects <p>Currently, BCFG PH has two energy auditors and all its maintenance managers have been certified as Energy Managers reflecting the company’s dedication to upholding the highest energy efficiency standards.</p> <p>Nationwide-tree planting initiatives across One URC</p> <p>In 2023, collaborative efforts with various stakeholders resulted in the successful planting of 20,959 seedlings, consisting of various endemic species of trees and mangroves, fostering environmental sustainability.</p> <p>If all these seedlings grow and mature, an estimated 456 tons of CO₂ can be sequestered annually. Of course, the sequestration rate will depend on a lot of factors like the age of trees, type of trees, number of trees per hectare, spacing between trees, and other factors.</p> <p>Ozone Depleting Substances (ODS) Management</p> <p>In line with the management of ODS, the company continues to monitor the inventory and usage of approved alternative refrigerants. This is aligned with the Revised Regulations on the Chemical Control Order of ODS in the Philippines. The company supports global endeavours aimed at eliminating or mitigating the use of hazardous substances, which present risks to both human health and the environment.</p>

Impact, Stakeholders and Risks
The programs and initiatives mentioned above are aligned to the SDG targets 7, 9 and 13.
Opportunities & Management Approach
<p>Geared towards achieving 100% renewable energy and net zero by 2050, moving forward, the agile squads mobilized since the previous year will continuously conduct feasibility studies, trials and implementation plans to increase utilization form renewable sources and explore other green fuel technologies and sustainable technologies to reduce coal consumption.</p> <p>Lastly, the company will continuously explore opportunities for adopt-a-watershed programs that will help in carbon sequestration.</p>

Air Pollutants

Disclosure ¹	Units	2023
NOx	Tonnes	168.14
SOx	Tonnes	151.46
Persistent organic pollutants (POPs)	-	
Volatile organic compounds (VOCs)	-	
Hazardous air pollutants (HAPs)	-	
Particulate matter (PM)	Tonnes	99.6

- Note:
- Data covers information from air pollution sources equipment (APSE) specifically from the boilers and gensets of URC with air emission test results in 2023 conducted by a DENR Accredited Laboratory
 - Per National Emission Standards for Source Specific Air Pollutants, all the emission test result expressed in mg/Nm3 were within the set standard of DENR EMB.
 - URC’s boilers, generator sets and company-owned vehicles undergo mandatory emission testing as mandated by the DENR and Land Transportation Office. Moving forward, URC will evaluate and determine appropriate monitoring process as part of the continuous alignment with the Clean Air Act.

Impact, Stakeholders and Risks
<p>Impact: URC operation generates air pollutants from food production and transportation and agricultural activities. The company acknowledges that air pollutants from Air Pollution Source Equipment (APSE) may result to environmental and long-term health effects of the employees and general public particularly if emission do not meet the National Emission Standards and Ambient Air Quality Standards stipulated thru Republic Act No. 8749, otherwise known as the Philippine Clean Air Act of 1999.</p> <p>Stakeholder: Employees, Local communities where it operates in, and General public</p> <p>Risks: The company recognizes that air pollutants pose risks to environment, public health and employees which would result in grievances and complaints from labor unions, the general public, and environmental activists.]</p>

Management Approach for Impact and Risks
<p>URC recognizes the negative impacts of air pollutants to the environment and effect to human health. To reduce this, the company ensures it fully complies with the Clean Air Act and its implementing rules and regulations by constantly conducting environmental compliance monitoring and validation in the facilities and by ensuring proper and regular maintenance to APSE.</p> <p>The company ensures to lessen air pollutants by improving air pollution control installation and by transitioning from bunker fuel to diesel used in boilers. We have also installed high efficiency boilers that contributed to the reduction of air pollutant emissions. The company supports the SDG 11 through these initiatives.</p>

Solid and Hazardous Waste

Solid Waste

Disclosure	Units	2022	2023
Total solid waste generated	Tonnes	2,946,862	2,454,593
Recyclable (Biodegradables ¹ and Non-Biodegradables ²)	Tonnes	945,024	616,318
Incinerated	Tonnes	0	0
Residual/Landfilled ³	Tonnes	20,713	24,329
Renewable ⁴	Tonnes	1,981,125	1,813,946

Note:

Data covers information of total URC (BCF-PH, BCF-INT, Flour, SURE, AIG, and external distribution centers in the Philippines).

¹ Biodegradable waste originated from plant or animal sources which may be broken down by other living organisms

² Non-biodegradable wastes were sold as scrap or returned to the recycling stream (e.g.: plastic containers, rubber, and metal)

³ Residual/Landfilled – non-potential and non-recoverable waste that are disposed to sanitary landfill.

⁴ Renewable are waste materials used as alternative fuel to generate the company’s own energy (e.g.: Coffee Spent Grounds used as alternative fuel to boiler to produce steam for the production)

Hazardous Waste

Disclosure	Units	2022	2023
Total weight of hazardous waste generated ¹	Tonnes	818	618
Total weight of hazardous waste transported ²	Tonnes	614	375

Note:

¹Data covers information of total URC (BCF-PH, BCF-INT, Flour, SURE, AIG)

² Data covers information of BCF-PH, BCF-INTL, Flour, SURE, AIG)

The difference in the quantity of hazardous waste generated and transported was stored in the DENR prescribe Hazardous Waste Storage onsite waiting for schedule of transport and treatment.

Impact, Stakeholder and Risk
<p>Impact: The company recognizes that improperly handled waste can result in adverse environmental impact such as marine, water and air pollution and ill-effect to human health.</p> <p>Stakeholder: Employees, Communities, General public</p> <p>Risk: URC recognizes that leakages in the waste management system can create a variety of hazards, from being a source of health problem, aesthetic nuisance, or being a source for ecosystem contamination. Unlawful discharges of hazardous waste into various land and water bodies can pollute the water table and affect the drinking water supply of many communities living within the vicinity. Unlawful discharges by third party contractors can result in fines or sanctions for business units. Other stakeholders affected include the government, waste pickers, and exposed communities.</p>
Management Approach for Impact and Risks
<p>Managing waste has been embedded in the way the company operates in line with compliance to local government and social responsibility to communities where it operates. All the hazardous waste haulers are strictly screened to ensure that they are DENR accredited provider before the company engages their services. Designated staff, accredited pollution control officers (PCO), and key employees are trained and tasked to manage waste in all aspects, including facilities, equipment, and employee engagement. All the Hazardous waste is transported and treated in a DENR accredited treatment, storage, and disposal (TSD) facility. Wastes are kept monitored and secured in the facility until such time it is scheduled to be transported for treatment by the licensed transporter and treater of the DENR.</p> <p>The company commits to effectively initiate and support efforts to manage waste and reduce its generation while ensuring that it does not end up in landfills as well as waterways and oceans which has been a visible issue around the world.</p> <p>Note that different countries have different systems for classification of their hazardous waste. Since majority of the facilities are located in the Philippines, the company follows the definition and classification of hazardous waste stipulated in DAO 2013-22 Revised Procedures and Standards for the Management of Hazardous Wastes. For BCF International, they have already aligned their solid waste classification to BCF Philippines.</p> <p>As part of the company’s efforts in reducing waste and the goal of zero waste to landfill, several sustainability projects focusing on managing waste are continuously being done:</p> <ul style="list-style-type: none"> • Segregation at source – waste segregation is being practiced in URC facilities • Scrap Recovery – Standard practice to sell waste materials with high potential value to verified scrap buyers to drive circularity back to recycling stream.

Meanwhile, with the published DAO-2023-02: Implementing Rules and Regulation of the RA11898, the company is required to recover and divert 20% of its plastic footprint in the 1st year of its implementation.

URC being the lead enterprise of all the subsidiaries under the JGSHI and RRHI endeavors to comply with the EPR requirements. The company developed an end-to-end EPR strategy that includes societal engagement, collection, diversion, and communication to ensure compliance and sustainability of the programs.

Juan Goal for Plastic Program

URC initiated this program to support the company’s contribution to address marine pollution.

Its primary objectives include establishing plastic waste collection programs in selected pilot communities and developing a communication and training manual that other Strategic Business Units (SBUs) can use to launch their plastic waste collection projects.

The program was kicked off in 2022 with 9 community launches, establishing 39 collection sites in both communities and plants across all SBUs in JGSHI and RRHI. Over 14.9 metric tons of plastic waste was collected and more than 2,472 community members and 497 URC employees were engaged in these collection efforts.

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

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

"Juan Goal for Plastic" has facilitated strong partnerships among communities, the Environment and Natural Resources Office (ENRO), schools, and other private entities that share our commitment to environmental advocacy.

In 2023, with the participation of Robinsons Land Corporation (RLC) and RRHI, a total of 50.30 metric tons of plastic waste was collected with over 49 collection hubs installed in over 60 communities, participated by more than 900 employees. Some notable key activities across all SBUs include the launching of URC Eco-warriors, a program aimed at encouraging employee participation in plastic recycling initiatives, installations of wall-mounted Plastic Bins in New Shopwise Gateway, collection during the Robinsons Supermarket 15th Fit & Fun Wellness Buddy Run, and Renew-A-Bottle machine which is now operational in Robinsons Galleria.

These activities underscore the collaborative efforts and positive partnerships forged with external organizations. URC is unwavering in upholding integrity and credibility.

With a strong sense of camaraderie both internally and externally, the company remains dedicated to its mission as one of the largest conglomerates in the country. URC continuously develops programs and initiatives that promise long-term benefits for its organization, employees, and the communities it serves.

Waste Management Partnership with Holcim

The new agreement expands the three-year waste management partnership between the two companies, in which Holcim Philippines co-processes the laminated plastic wastes of URC.

The partnership with Holcim, as emphasized by URC President and CEO Irwin Lee, signifies not only the company's commitment to achieving plastic neutrality but also its dedication to environmental preservation. Lee expressed that through this program, the company aims to elevate its involvement in the collect-and-recycle activities of various communities.

URC believes that collaboration with organizations, private companies, institutions, communities, and local government units is essential to come up with a holistic and circular approach in providing solutions to the pressing plastic pollution issue.

Holcim Philippines President and CEO, Horia Adrian, expressed pride in supporting URC's excellent initiative that engages communities against plastic pollution. Adrian welcomed the program and affirmed their readiness to assist partners, emphasizing that advancing recycling is crucial for decarbonizing operations and reducing the consumption of virgin raw materials.

The strengthening of the partnership with Holcim complements URC’s other ongoing efforts to become a sustainable global enterprise. Among the most prominent of these is “Juan Goal for Plastic,” a waste management program aiming to achieve plastic neutrality through the collection, recovery, and diversion of used plastics.

Environment Recognition Programs

In 2023, under the Green Award – Best in Waste Management category, URC La Carlota Sugar Mill was recognized for its waste reduction efforts and effective implementation of key programs such as Juan Goal for Plastic, co-processing of laminates and rigorous information drive on proper disposal and handling of hazardous wastes.

Opportunities and Management Approach

Operationalizing the company’s targets in Plastic Neutrality by 2030, the company will continuously integrate its sustainability projects addressing waste issues and challenges by adopting Agile Project Management. URC will continuously look for opportunities at their waste management systems to see how segregation and recovery can be improved.

Different plastic diversion technologies will be further explored to evaluate business viability and sustainability. The company will seek out collaborative projects on waste management that include community engagement and linking with local recyclers to seize opportunities in scaling up partnerships with these stakeholders.

URC also recognizes the value of collaboration with external stakeholders like local government units, academe, and civic groups in creating a holistic solution to address plastic issue. Long term and impactful programs with these potential partners will be developed. In order ensure continuity of plastic collection and scale up diversion capabilities green funding will be explored.

Lastly, these programs and initiatives are aligned to the UN SDG 12.

Effluents

Disclosure	Units	2022	2023
Total volume of water discharges	Cubic meters	5,190,742	7,316,632
Percent of wastewater recycled ¹	%	14%	13%

Note:
Data covers information of total URC (BCF-PH, BCF-INT, Flour, SURE, AIG, and External Distribution Centers in the Philippines)
¹ Percent of wastewater is computed as the total volume of water recycled and reused over the total volume of water discharges.

Impact, Stakeholders and Risks
<p>Impact: URC’s operations generate wastewater from food production and agricultural activities. It is among the most difficult and costly waste to manage because wastewater from food processing contains large quantities of nutrients, suspended and dissolved solids, and high biochemical oxygen demands.</p> <p>The company acknowledges that untreated wastewater may contaminate the water bodies surrounding its business operations particularly if discharges do not meet the Water Quality Guidelines and General Effluent Standard stipulated thru DENR Administrative Order 2016-08.</p> <p>Stakeholder: Employees, Communities, General public</p> <p>Risks: As a food and beverage business, water holds an essential value in the sustainability of the company. The company recognizes that the risks in discharging contaminated wastewater can pose significant threats to communities and other stakeholders directly or indirectly affecting its social license to operate.</p>

Management Approach for Impact and Risks
<p>As embedded in its Environment policy, the company commits to continue responsible water stewardship works to improve water use efficiency and to protect watersheds.</p> <p>Managing production waste like effluents and other types of waste has been embedded in the way it operates in line with the compliance to local government and social responsibility to communities.</p> <p>The following pollutants are strictly monitored in the company’s effluents prior to discharge: BOD, COD, TSS, Color, pH, Oil & Grease, Temperature Rise, Nitrates, Ammonia, Fecal Coliform, Surfactants, and Phosphates.</p> <p>The company have continuously conducted a series of programs and initiatives to ensure the compliance of wastewater effluents to the requirements and standard parameters stipulated in the Water Quality Guidelines and General Effluent Standards.</p> <p>These programs include additional chemical treatments in specific sites for the reduction of phosphates, standardized chlorine dosing across all BCF-PH sites, standardization, and provision of the right tools to wastewater operators to track and test parameters, design & built and capacity upgrades of wastewater treatment plants in selected sites to accommodate the increased capacity of production and reduce ammonia, phosphate, and nitrates.</p> <p>Additionally, standardized dry cleaning procedures were being done instead of the wet cleaning in certain areas in the production and leak corrections were being conducted which resulted to reduction of water consumption and decrease in water discharge. Certain sites were also being evaluated in their readiness to recover their treated effluent for domestic use such as toilet flashing, gardening, etc.</p> <p>In the prior years, technologies were acquired by URC such as the electrocoagulation piloted and commissioned in Tarlac for the removal of phosphates, Total Suspended Solids (TSS), Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD); and Dissolved-air floatation piloted and commissioned in Vitasoy plant to reduce the oil and grease.</p> <p>Lastly, heat exchangers were being installed in selected confectionary lines to recover the vacuum pump discharge and recirculated into the system resulting to reduction of water consumption and discharge.</p>

Opportunities & Management Approach
<p>Recognizing the challenges from managing effluents, the company has an opportunity to optimize its wastewater usage by identifying processes that would re-use or/and recycle the effluent.</p>

Environmental Compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	No material fines or penalties	PHP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations		#
No. of cases resolved through dispute resolution mechanism		#

Note: The company or any of its subsidiaries is not a party to, and its properties are not the subject of, any material pending legal proceedings involving fines or non-monetary sanctions that could be expected to have a material adverse effect on the Company’s financial position or results of operations.

Impact, Stakeholders and Risks
<p>Impact: URC recognizes that environmental compliance is essential to ensure that affected stakeholders, including employees, surrounding communities, and the environment, are not exposed to any unnecessary amount of hazard due to its business operations. Environmental compliance is hygienic towards responsible resources management materiality and 2030 commitments, which is essential in securing the social license.</p> <p>Stakeholder: Employees, Management, Communities, General public</p> <p>Risks: URC recognizes the risks of sanctions from local and national regulations as well as standards imposed by permit officials is an ever-present risk if business activities are not monitored well.</p>
Management Approach for Impacts and Risks
<p>Over time, the company has consistently improved its approach to environmental compliance through the development of routine strategic cadences. This initiative is spearheaded by URC's compliance and legal team, ensuring the adherence of all facilities to environmental standards—a critical aspect of the company's cross-functional business continuity planning.</p> <p>As a publicly listed entity, the company's commitment to compliance extends to the regulations of the countries where it operates and sells products, as well as meeting specific conditions outlined by its customers. In the domestic market, the company monitors its performance against environmental regulations set by entities such as DENR, NWRB, and relevant City or CENRO/MENRO. Additionally, efforts are made to meet the requirements of energy regulatory bodies, including the DOE and ERC. Environmental compliance is meticulously evaluated, guided by governing laws and requirements set by regulatory bodies, including acts such as the Philippine Clean Water Act, Clean Air Act, Ecological Solid Waste Management Act, Extended Producers Responsibility Act of 2022, Toxic Substances and Hazardous and Nuclear Wastes Control Act, Pollution Control Law, Environmental Impact Statement System, and Laguna Lake Development Authority Act of 1966.</p> <p>The company's compliance is further reinforced by Environmental Compliance Certificates (ECCs), meeting the requirements of Presidential Decree No. 1586 under DENR Administrative Order No. 2003-30. As a company generating renewable energy and selling excess power, adherence to the Renewable Energy Act and the Electric Power Industry Reform Act is ensured. Each facility is equipped with a DENR-</p>

<p>Accredited Managing Head and PCO responsible for managing environmental aspects and impacts of operations. Environment, Health, and Safety (EHS) Compliance Officers, working in coordination with Corporate EHS Managers, conduct Compliance Assessments across all URC sites, ensuring compliance with regulatory requirements, particularly at new operating sites.</p> <p>The compliance assessment focuses on revalidating facilities' adherence to permit acquisitions and conditions. The company sustains the output through monthly management of URC sites' permits and licenses, ensuring continuous tracking of compliance status. The Integrated Environmental, Health, and Safety Assessment (IEHSA) confirms the current status of plant EHS implementation, guiding the achievement of EHS goals and the reduction of risks and impacts. A robust mechanism is in place to track the closure of actions addressing concerns raised in IEHSA, ensuring ongoing progress in compliance.</p> <p>In 2023, the EHS Compliance and IEHSA programs were expanded to include URC International sites through a 3-phase program outline to assess the plant’s compliance to permits and licenses and the conditions stipulated therein as required by their governing laws.</p>
Opportunities & Management Approach
<p>Moving to go above and beyond 100% compliance, the company has developed a structured and rigorous approach for the development of an effective Environmental Management System that aims at achieving ambitious objectives. Consequently, the company will proactively engage with the policy makers and relevant stakeholders in order to align its strategies in the new laws and regulations.</p>

Employee Management

Employee Data

Disclosure	Quantity	Units
Total number of employees	13,171	#
By Gender		
a. Number of female employees	4,157	#
b. Number of male employees	9,014	#
By Age Group		
a. Gen Z (26 and below)	1,940	#
b. Millennial (27-41)	7,127	#
c. Gen X (42-56)	3,687	#
d. Baby Boomer (57 and up)	417	#
By Contract Type		
a. Regular	11,605	#
b. Consultant, FTE & Project based	913	#
c. Probationary	653	#
By Length of Tenure		
a. < 1 years	1,556	#

b. 1-3 years	2,037	#
c. 3-5 years	1,628	#
d. 5-7 years	1,644	#
e. 7+ years	6,306	#
By Rank		
a. Executive/Senior Management	105	#
b. Rank & File	7,733	#
c. Supervisor	1,633	#
d. Manager	987	#
e. Seasonal	378	#
f. Professional / Technical	2,335	#
By Business Unit		
a. BCF PH	3,989	#
b. BCF International	5,370	#
c. AIG	644	#
d. Flour	397	#
e. SURE	2,247	#
f. Main	524	#
Attrition rate ¹	9.2	%
Ratio of lowest paid employee against minimum wage ²	1:1	Ratio

Note: Data covers the total number of URC regular employees as of December 31, 2023

¹Attrition rate is the total voluntary turnover of current year over average total no. of employees of current year (including new hires for the year)

²The ratio is based on the comparison between the wage of the lowest paid employee (base fare) and the minimum wage on the specific region. URC is compliant with the minimum wage requirement. Other compensation provided to regular employees are indicated in the table below.

Disclosure	Quantity	Units
Data for New Hires		
By Gender		
a. Number of female employees	585	#
b. Number of male employees	1,134	#
By Age Group		
a. Gen Z (26 and below)	440	#
b. Millennial (27-41)	558	#
c. Gen X (42-56)	100	#
d. Baby Boomer (57 and up) ³	19	#
By Contract Type		

a. Permanent or indefinite	981	#
b. Temporary or Fixed Term	136	#

Note: Data covers the total number of URC regular employees as of December 31, 2023

Disclosure	Quantity	Units
Turnover		
By Permanent Employees		
a. Female	494	#
b. Male	718	#
By Age Group		
a. Gen Z (26 and below)	372	#
b. Millennial (27-41)	685	#
c. Gen X (42-56)	132	#
d. Baby Boomer (57 and up) ³	23	#
By Rank		
a. Executives / Senior Management	10	#
b. Middle Managers and Supervisors	237	#
c. Rank-and-file permanent	604	#
d. Professional / Technical	361	#
By Contract Type		
a. Voluntary	1,212	#
b. Involuntary	637	#

Note: Data covers the total number of URC regular employees as of December 31, 2023,
The breakdown of turn-over data by permanent employees, age group and rank cover voluntary only.

Employee Benefits

List of Benefits ¹	Y/N	Type of Data	% of Female Employees	% of Male Employees
SSS	Y	Covered	100%	100%
PhilHealth	Y	Covered	100%	100%
Pag-ibig	Y	Covered	100%	100%
Parental leaves	Y	Covered	100%	100%
Vacation leaves	Y	Covered	100%	100%
Sick leaves	Y	Covered	100%	100%

List of Benefits ¹	Y/N	Type of Data	% of Female Employees	% of Male Employees
Medical benefits (aside from PhilHealth)	Y	Covered	100%	100%
Housing assistance/ Provision for Staff Houses (aside from Pag-ibig) ²	Y	Availing	3%	3%
Retirement fund (aside from SSS)	Y	Covered	100%	100%
Further education support (company loans for education)	Y	Covered	100%	100%
Company stock options	N		0%	0%
Telecommuting ³	Y	Covered	12%	12%
Flexible-working Hours ³	Y	Covered	12%	12%
(Others)				
Group Life Insurance	Y	Covered	100%	100%
Christmas Package	Y	Covered	100%	100%
Subsidies for motivational programs such as company outing, Christmas party, sports fest, and family day	Y	Covered	100%	100%
Company Loans for Emergencies	Y	Covered	100%	100%
Special Leaves such as Emergency and Nuptial Leave	Y	Covered	100%	100%

Note:

¹ The information covers the total number of URC PH regular employees

² Data on housing assistance are only applicable to selected AIG, Flour, and SURE employees

³ Applicable to employees working in the head office

Impact, Stakeholders, and Risks
<p>Impact: The employees serve as the foundation of the company’s value creation, given that success has been built by different generations of employees who have been passionate about ensuring that the company delights its consumers.</p> <p>Through hiring and providing competitive benefits, URC employees are better able to cover their cost of living, fulfill roles outside the workplace, afford a better quality of life, and stay longer with the company.</p> <p>Stakeholders: Management, Employees</p> <p>Risks: Given the nature of the business, which is manufacturing, the highest priority is to ensure a safe, efficient, and engaging work environment for the employees. Operations might be disrupted if there is a limited number of employees.</p>
Management Approach for Impact and Risks

Impact, Stakeholders, and Risks
The company seeks to engage and empower our employees toward high performance and growth. URC strengthens their people by equipping them with capabilities on how to respond to change, seize opportunities, and address specific business challenges. They comply with and surpasses government-mandated benefits. In response to the rapid developments in working arrangements, the company continuously benchmarks market practices to ensure that we address the changing needs of our employees. To manage and further develop the talent pool, URC recently adopted additional functionalities of the Darwin Box talent management platform for recruitment and compensation, thereby digitalizing our HR processes. To promote employee engagement, they also conduct Annual Pulse Surveys where employees can voice their concerns and provide feedback on their employee experience.
Opportunities & Management Approach
URC sees an opportunity to differentiate itself as an employer from other desirable companies in the country. Grievance mechanisms and numerous communication channels, such as town hall meetings, are made available to employees. This allows URC to cover additional dimensions of employee satisfaction, such as professional development.

Employee Training and Development

Disclosure	Quantity	Units
Total training hours provided to employees	351,742.76	hours
Average training hours provided to employees	26.50	hours/employee

Note: Data covers the total number of URC regular employees who underwent training in 2023.
No breakdown between male and female in 2023. However, starting 2024, data on gender has been included in the monitoring of all trainings attended/ provided.

Impact, Stakeholders and Risks
<p>Impact: The continuity of learning and professional education is valued by the Company. It assures employees that their learning and development is prioritized in the organization.</p> <p>It creates an interconnected benefit for the individual employee as well as for the company. Employees are able to develop new skills valuable for progression and career development; and in the efficient performance of their function. The organization benefits as it increases the possibility of attracting highly capable employees, improving employee retention, loyalty, satisfaction and performance standards as well as discovering areas for improvement.</p> <p>Stakeholder: Employees</p> <p>Risks: Inadequate training and career growth opportunities will negatively impact workforce productivity and quality of service. On the other hand, employees may also choose to leave and seek better opportunities elsewhere after getting sufficient training.</p>

Management Approach for Impact and Risks
<p>Consistent to our People Ambition of being talent’s top of mind company for being a global organization that stays true to its values, URC has been recognized externally as Best Place to Work not only in the Philippines but also in other countries (e.g. Malaysia, Myanmar, Indonesia and Vietnam). This is an acknowledgement on the efforts of the company in providing continuous learning and growth among its employees.</p> <p>With these, the Company has expanded its program for the Agile@Scale academies for its Chapter Leads, Product Owners and Agile Coaches. It has also continued to roll out URC Brand of Leadership Development and even launched new program to support employees handling people leader role for the first time. These trainings provided to the employees cover across the business unit within the company, including the domestic and international operations are supportive of the Company’s thrust in building capabilities for Next Generation Leaders as well as empowering current leaders to effectively lead their respective team given the new generations and the availability of more sophisticated technologies.</p> <p>The Company has achieved an average of 26.50 training hours per employee (17% improvement vs. 2022) across the entire organization thru our capability-development goals, namely: Build and Strengthen Agile Capability; Build and Support Global Leadership Capabilities of Next Generation Leaders; and Build and Sustain Digital Learning Channels.</p> <p><u>Build and Strengthen Agile Capability</u></p> <p>As we continue to support our vision to enable organizations to sustain the targeted agile capabilities needed to continuously improve performance and deliver impact, URC Agile Academy’s capability building programs are anchored on new ways of working that require shifting mindset and behaviors at all levels of the organization; new skills and knowledge required to drive the transformation; new roles which require upskilling and/or reinforcement for execution; and new culture that is needed to ensure change is sustained for the organization to truly embrace the new ways of working.</p> <p>In 2023, URC continued conducting Agile Onboarding and Bootcamp, Agile Basics Microlearning courses, and Agile in Sprint. Together with our full-time Agile Coach Chapter Leads, Agile Center of Excellence (COE) team was able to train new squads from Customer and Category Tribes, independent squads from Digital Transformation Office (DTO), Sustainability Transformation Office (STO), Agro-Industrial Commodities (AIC) groups, URC International, and other squads from Finance and Human Resources.</p> <p>Aside from the ongoing runs of bootcamp and agile basics, additional initiatives added in 2023 were Agile Masterclass, Product Owner and Chapter Lead Academy.</p> <p>Agile Masterclass is initiated by Agile Transformation office focused on onboarding the respective Business Unit Leaders on Agile principles and practices and the Agile experience of BCFG Philippines. The output of the Agile Master Class is to have the Business Units map out their agile journey and prepare for their own transformation.</p>

The Product Owner Academy is an initiative to help accelerate capability building for Product Owners in the organization. It is an immersive hands-on program for and by Product Owners on four capability dimensions (1) Customer Experience (2) Business Acumen (3) Soft Skills (4) Integrated Supply Chain as domain specific skills.

The Chapter Lead Academy aims to develop the Chapter Leads to be talent champions and drivers promoting continuous growth, development and well-being of the chapter members, and the function's expertise and services.

These learning sessions under Agile Academy contributed a total of 18,000 training hours or 22 hours per employee, covering Agile Onboarding and Bootcamp, Agile Basics Microlearning courses, and Agile in Sprint, Product Owner and Chapter Lead Academy with an average feedback score of 4.60 out of 5.00. The Agile Academy was able to train a total of 8 Mancom Business Units 47 squads, 6 batches for Product Owners, 112 sessions for Chapter Leads, with 1,900 participants by building their knowledge and awareness of agile practices and ways of working through continuous flow of relevant learning and development programs for all agile roles.

These programs are designed and customized to equip our employees with an in-depth understanding of Enterprise Agile, its key elements and what the transition journey looks like for the organization. It also enabled the participants to move from understanding the theory of Agile, to deciding and committing to the transformation that revolves around four elements: Knowledge, Experience, Peer Interaction, and Tools.

Build and Support Global Leadership Capabilities of Next Generation Leaders

In addition to our agile capability development initiatives, we continued to future proof the business through the following leadership capability-building programs anchored on core values and leadership competencies. In 2023, we delivered the URC Regional Conference, Leadership Excellence and Advancement Development (LEAD), and Leadership Enrichment and Advancement Program (LEAP).

URC Regional Conference

A customized, immersive, and experiential program designed for the Extended Leadership Team (ELT), with a mix of thought leadership sessions, industry thematic discussions, company and site learning expeditions, and workshops. For 2023, the overarching theme that has been pursued focused on Building Strategic Muscle and Resilience.

The quarterly sessions contributed a total of 3,216 training hours or average of 72 hours per employee, across 42 executives, regional leaders, and country heads. URC Regional Conference got an average feedback score of 4.41 out of 5.00

Tiered Leadership Programs

The year 2023 brought about the creation of the Agile / Talent Management COE and Learning, OD & Internal Comms COE. This is in view of the need to provide needed focus and resources as the company expands the implementation of the Agile@Scale work environment. The team of Learning, OD and Internal Comms COE was completed in Quarter 3, thus, learning programs were resumed in Q3. This brought about the creation and launch of a new leadership program called New Leaders' program (NLP).

- **New Leaders' Program (NLP)**

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

The debut launch of NLP in October of 2023 was met with anticipation and enthusiasm. A diverse range 55 leaders locally and from Malaysia and Myanmar confirmed to participate in the program. This batch contributed a total of 1,272 training hours or approximately 23 hours per employee. The program has sustained its excitement and engagement as it finished its 5th module with an average post-session feedback score of 4.61 out of 5.00.

- **Leadership Enrichment and Advancement Program (LEAP)**

A development program designed for Frontline Managers that focuses on basic management skills, better conversations, and team development. It provides a deep perspective that explores the participant's identity and potential. This approach is rooted in the development of leadership, commercial acumen and functional competencies.

A heterogenous class of 22 participants was launched in November of 2023 covering leaders from Manufacturing, Marketing, Supply Chain, Human Resources, Engineering and Strategy. This batch contributed a total of 320 training hours or approximately 15 hours per employee through its first two (2) modules. The program has garnered an average feedback score of 4.76 out of 5.00 for its post session evaluation. The next module, 7 Habits of Effective People - Applications is scheduled in the latter half of February 2024.

Build and Sustain Digital Learning Channel through URLearning

2023 saw the rebirth of URLearning, the official learning management system (LMS) of URC. Previously, powered by the Matrix platform, URLearning was migrated to a new system, Disprz, and relaunched last November 14, 2023 with migration efforts conducted in just a span of a month. The migration was bought about by the need for the LMS to be integrated to Darwinbox which was not previously possible with the old

Matrix platform. Aside from the capability to integrate with Darwinbox, the Disprz platform boasts of 500,000 plus external contents (i.e. videos, articles, podcasts) from reputable sources such as McKinsey, AWS, Google, and more which are available to 2,500 users in the system.

Currently, the new URLearning, powered by Disprz, have new features and capabilities that were previously unavailable in Matrix. For one, partial integration between URLearning and Darwinbox is now live. With partial integration, Darwinbox users can log in via single sign on from Darwinbox to Disprz without entering log-in credentials. Account creation and deactivation are also automated for Darwinbox users. This means that for every new account or exiting employee in Darwinbox, their accounts will be automatically created and deactivated in Disprz.

Another feature is the leaderboard which enables the gamification of learning in URLearning. Through the leaderboard, users gain points and are ranked based on how much they use the platform. Users also have their respective learning data dashboard in the platform. This feature enables them to have a quick view of their learning data (i.e. number of minutes consumed learning, number of completed modules, etc.) in the system.

In terms of internally developed learning contents, 1,500 learning modules have been migrated and set live from the old platform to the new platform. Similar to 2022, the most enrolled learning modules are onboarding modules, Basic eGMP module, and Agile Academy modules.

In terms of adoption, 17% of the users (as of date) have logged in into the system since its launch in November 2023. This is a marked improvement from the average monthly utilization of 2.8% under the previous platform. The target for 2024 is to achieve a 40% adoption rate.

2024 is projected as a year of opportunities to further revitalize URLearning as an effective tool for self-paced development and growth. More E-learning contents will be created in order to support both in-house facilitated courses as well as external programs.

Opportunities & Management Approach

URC has continued to develop and give priority to the professional development and growth of its employees as evidenced by the varied programs and learning tools made available. It will always provide newer ways for effective education and training. For 2024, self-paced learning will be encouraged given the platform available; Agile@Scale will continue to be a differentiating way of working that will be continuously supported with its bootcamps, master classes, and academies for Product Owners, Chapter Leads and Coaches.

With the full integration of URLearning to Darwinbox, performance management will be directly linked to the learning platform which can feed training data into the assessment and at the same time, the specific training courses available that can complete the career planning process. Progress of IDP implementation will also be available and be readily viewed.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	39.7	%
Number of consultations conducted with employees concerning employee-related policies*	4	#

Note:
-The information covers the total number of URC regular employees
*Data cover Labor Management Council sessions of FLOUR

Impact and Risks: Where they occur, URC’s involvement, stakeholders affected
<p>Impact: The management communicates with employee unions on employee governance and compensation, benefits and company policies and all other matters relevant to the bargaining unit. URC is also able to effectively gather employee concerns through its dialogue and partnership with the employees.</p> <p>Stakeholder: CBA covered Employees, Labor Union, Management, Government</p> <p>Risks: If labor unions and URC do not reach an agreement, labor unrest may happen, disrupting the company’s operations and overall productivity. Issues that remain unaddressed may cause employee dissatisfaction and could ultimately result in Department of Labor and Employment (DOLE) exposures and National Labor Relations Commission (NLRC) cases.</p>
Management Approach for Impacts and Risks
<p>URC proactively and continually listens to employee concerns during negotiations in order to reach practicable agreements.</p> <p>In 2023, there were 10 collective bargaining agreements signed with labor unions and 4 ongoing negotiations:</p> <p>BCFG PH</p> <ul style="list-style-type: none">• URC Consolidated Workers' Union - BCFG Rank and File Employees Union Chapter• Universal Robina Corporation -Pampanga Plant B Employees Independent Union• Cebu Industrial Management Corporation Employees Union<ul style="list-style-type: none">- Workers' Solidarity Network - ongoing• Universal Robina Corporation Canlubang Plant Employees Union - Organized Labor Organization in Line Industries and Agriculture• Meat and Canning Division - New Employees and Workers United Labor Organization <p>SURE</p>

<ul style="list-style-type: none">• La Carlota Distillery Congress of Independent Organizations (CIO) Rank & File Union• URC - SURE Balayan Labor Union Chapter – National Congress of Unions in the Sugar Industry of the Philippines (NACUSIP)• URC - SURE Balayan Supervisory Union Chapter – NACUSIP• CIO - ALU URSUMCO Supervisors Unions• NACUSIP - Universal Robina Corporation Sugar and Renewables Employees Union (NACUSIP - URC SURE EU)• SONEDCO Supervisory Union – CIO – NACUSIP – ongoing negotiation• URC Passi Employees Rank & File Union – Federation of Free Workers (FFW) – ongoing negotiation• URC Passi Supervisors Union – FFW – ongoing negotiation <p>FLOUR</p> <ul style="list-style-type: none">• Continental Milling Company Workers’ Union (CMC WU) <p>Some activities conducted with the union in BCFG include Kapihan with Plant Manager, Union Salu-salo with Plant Mancom, Quarterly Catch-up session with Cluster Head, DOLE LMC National/Regional Convention, Annual Yearend Thanksgiving. For Flour, activities are Safety Riding for Motorcycle Riders, LMC meetings and the participation to CSR programs. For SURE, there are Management and Union meeting (Talakayan) at least once a month and there are also First Monday Flag ceremonies and General assembly meetings.</p>
Opportunities & Management Approach
URC will continue to provide a platform to foster good levels of communication with its CBA covered employees through formal and informal meetings. URC will create a more systematic approach to address concerns raised by its CBA covered employees.

Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	32	%
% of male workers in the workforce	68	%
Number of employees from indigenous communities and/or Sector	currently not tracked	#

Note: Data covers the total number of URC regular employees

Impact and Risks: Where they occur, URC’s involvement, stakeholders affected
<p>Impact: A diverse workforce is beneficial to the success of business. By gathering employees with different backgrounds, the company also creates a large pool of strengths, ideas, and perspectives that can provide better innovative solutions which can also cater to a wider range of market.</p> <p>Stakeholder: Employees</p> <p>Risks: Having a homogeneous group, instead of diverse workforce, will cause URC to miss opportunities to gain a competitive advantage over other companies.</p>
Management Approach for Impact and Risks
<p>URC believes in diversity and fairness, elements critical for women to be successful at work. Respect for women begets results from women. URC strictly hires based on competencies required of the position and does not discriminate on race, color, religion, sexual orientation, disabilities. URC adheres to its antidiscrimination policy.</p> <p>The company ensures that it observes fair labor practices while upholding equal opportunity and workforce diversity. HR is up-to-date on societal trends influencing the workforce demographic and is positioned to open discussions on complements to hiring based on competencies.</p>
Opportunities & Management Approach
<p>URC can provide reasonable, preferential hiring to the vulnerable sector, staying true to its commitment of empowering the organization through its People and Planet Friendly Culture initiatives.</p>

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	2023	Units
Total Man-Hours ¹	74,086,688	Man-hours
No. of work-related injuries ²	286	#
No. of work-related fatalities	3	#
No. of work-related ill-health	-	#
No. of safety drills	143	#
LTIFR	1.01	
AIFR	3.86	

Note: Data covers information of total URC (BCF-PH, BCF-INT, Flour, SURE, AIG, head offices, and external distribution centers in the Philippines)

¹ Total man-hours are the number of hours worked in the reporting period. These includes regular employees and third-party employees that are performing work in the workplace that is controlled by the organization

² Number of work-related injuries include First-Aid Treatment Injury (FTI), Medical Treatment Injury (MTI), and Lost-time

Impact, Stakeholders and Risks
<p>Impact: An effective EHS system promotes a healthy and safe working environment which increases workplace satisfaction and productivity among employees. Understanding the high-risk and labor-intensive nature of its domestic and international operations, workplace health and safety (WHS) is crucial to promote employee wellness, prevent work-related accidents, and maintain full compliance with regulatory requirements and industry standards.</p> <p>Stakeholder: Employees</p> <p>Risks: An ineffective health and safety system could potentially lead to injuries, put lives at risks, damage to properties, and lessen workforce productivity. Furthermore, failure to comply with health and safety standards could cause penalties from regulators and pose negative impacts on its employee retention and customer reputation.</p>
Management Approach for Impact and Risks
<p>Anchored to the values of Putting People First, the company ensures a safe and healthy environment for all the employees in its day-to day operations.</p> <p>Embedded in its Safety Policy, the company commits to a Safe Workplace for Everyone by:</p> <ul style="list-style-type: none">• Encouraging one another to proactively impart and participate in identifying, assessing and managing risks for the wellness of our people and achieve an accident-free work environment.• Supporting our people with their mental well-being, through changing the way we think and act about mental health in the workplace.• Considering Occupational Health and Safety and Environmental Protection in the design, management and operation of the company facilities to ensure the safety of our employees and other stakeholder affected by the company’s activity. <p>Reinforce Safety:</p> <p>The company protects its people from workplace hazards and promote their well-being through the implementation of URC’s five (5) core occupational health and safety programs.</p> <ol style="list-style-type: none">1. Juan Life Saving Rules (LSR) 2.0 To strengthen safety awareness through visual management, Juan Life Saving Rules or LSR was updated in 2021 and featured additional focus areas. These focus areas pertain to work permitting systems, management of hazardous chemicals, and machine safety. Dubbed as LSR 2.0, the revitalized set of Life Saving Rules was aligned to the current situation in URC’s different plants. Each rule was aligned with global standards, local legislation, and company safety procedures to ensure the protection of the workforce in their regular field duties.2. Behavior-Based Safety (BBS) 2.0 Through BBS observation and coaching, the program targets to effect behavioral change in the way workers look safety --that it should be a Way of Life3. Quick Risk Prediction

This program aims to conduct pro-active and timely risk assessment for non-routine and unplanned activities and install the necessary control measures. This activity will prevent potential incidents resulting from unplanned machine troubleshooting' and repair.

4. Near Miss Reporting

Near miss is sometimes referred to as "close call" or "near hit" and it signals a system weakness that if not corrected would lead to a significant consequence in the future. Through near miss reporting, deficiencies can be corrected thus preventing any accidents in the future.

5. Project TLC (Training, Leading, and Coaching)

Another company initiative that provides various training for employees, empowering its EHS Leaders on operational control programs as well as equipping them with the requirements needed for the certification from PCOs, Safety Officers, and Radiation Protection Safety Officers. In Project TLC, the company conducted internal webinar trainings relevant to safety, such as confined space entry, material handling safety, work permitting systems, among others.

Reinforcing these core programs has been the company's strategy since 2022 and has been continuously implemented in 2023 to increase the level of awareness, promoting ownership, and improving accountability among employees. The program aims to address the safety issues encountered in the past year and slowly supports the building of a culture of safety excellence in the workplace.

Programs on increasing the level of Awareness:

- Safety Maps indicating the risks and hazards in the area were developed by the Process Owners that would also guide new hires on the hazards, risks and controls associated with their areas of assignment
- Project S4K (Salin ng Kaalaman sa Kaligtasan, Kalusugan at Kapaligiran) is a condensed version of training on Operation Control Programs (OCP) targeting managers and supervisors
- Project OWLS (OCP Webinar Learning Session) is focused on the conduct of refresher or learning sessions of OCPs based from critical accidents from the prior year
- Project LTSE (Life Training in Safety Excellence) is an OCP training workshop designed for startup safety and environment, health & safety system
- Project ICE (Information, Communication and Education) is a program designed to disseminate infographics or digests on selected topics of Environment, Health & Safety (EHS)

Programs on promoting Ownership:

- Ensured all sites have a dedicated EHS Officer to oversee and implement safety programs
- Reinforced Behavior-based Safety observation and Coaching to effect behavioral change in the way employees look safety --that it should be a Way of Life
- Implemented Basic Equipment Care (BEC) Red and Blue Tagging which is a method to correct unsafe wherein if the tag of an equipment is blue, it means that it can be fixed by an operator while if the tag is red, it should be fixed by maintenance. Examples of initiatives to correct unsafe conditions are installation of machine guarding, safety interlocks, and LOTOTO devices, and improvements in work environment measurement (WEM).

Programs on Strengthening Accountability

- Offenses Subject for Disciplinary action (OSDA) Implementing Rules and Regulation (IRR) is a program to establish the implementing guidelines for enforcement of Code of Discipline related to Safety Offenses Subject for Disciplinary action for all regular employees. It aims to contain simplified and more specific safety offenses
- Strengthening and enhancing partnership with Third Party Management Service providers to reinforce accountability on implementation of safety programs for third-party employees
- Safety Rewards and Recognitions

Some notable highlights in 2023 were the 100% completion of Safety Maps across 17 BCFG Plants, the conduct of 8 Training sessions for BBS and QRP to 170 AIC leaders and implementation of the guidelines for EHS Validation (OSDA IRR) across One URC.

Safety Recognition Program

The company established Sustainability Awards to recognize the triumphs of individuals, facilities, and plants in their pursuit of sustainability excellence and their contributions in driving URC towards our ambition of becoming a Sustainable Global Enterprise, specifically in the aspects of Quality, Efficient Resource Management, and Safety, Health, and Well-being.

For safety, the facility and its safety officer that had achieved an exemplary performance is awarded with LIFE Excellence in Safety. The company also recognizes best in class facilities in Leadership and People Engagement, Information, Education and Communication, Facilities and Infrastructure Safety Improvement, and Effective Safety Processes and Systems. In 2023, the winners for the LIFE Excellence Awards and its categories were:

LIFE Excellence in Safety Award: FLOUR Davao

Category Awards

- Best in Leadership and People Engagement: FLOUR Davao
- Best in Information, Education and Communication: Thailand Plants 4-5
- Best in Facilities and Infrastructure Safety Improvement: La Carlota Sugar Mill
- Best in Effective Safety Processes and Systems: Thailand Plants 4-5

Through these programs, the company observed the decrease in the total number of incidents in the workplace from 321 in 2022 to 286 in the current year, wherein 22 plants have zero LTI record.

These programs also contribute to the UN SDGs 3 and 8.

Opportunities & Management Approach
<p>URC seeks to improve its integrated EHS management system focusing on leadership and culture, infrastructure improvement, systems harmonization and capability building.</p> <p>The company will continuously implement Reinforce Safety, BBS and QRP, Compliance of safety permits and licenses, standardization of Occupational Controls Programs, and driving recognition thru LIFE Awards. URC will continuously promote the establishment of the EHS Committee, implementation of the EHS Policy and strengthening contractor management and partnership. The company has an opportunity to transition from person-based safety to process safety.</p>

Labor Laws and Human Rights

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

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

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	Compliance with labor laws is incorporated by reference in Code of Discipline
Child labor	Y	
Human Rights	Y	<ul style="list-style-type: none"> • Policy on Sexual Harassment • Policy on Health, Safety and Welfare • Corporate Environment, Health and Safety Policy • Drug-Free Workplace Policy • Workplace Policy on Prevention Control of HIV and AIDS, Hepatitis B and Tuberculosis • Special Benefits for Women/Magna Carta for Women • Solo-Parent Leave Policy • Whistleblowing Policy • Data Privacy Policy

Impact and Risks: Where they occur, URC’s involvement, stakeholders affected
<p>Impact: URC respects and follows labor and human rights regulations in the workplace as stipulated by law. Non-compliance or violation of these rights will affect overall sustainability, impact URC productivity, employee retention, and employee engagement.</p> <p>Stakeholder: Employees, Management, Government</p> <p>Risks: Violation of the rights of the employees will put URC at risk of being penalized, and increase employee turnover</p>

Management Approach for Impact and Risks
URC duly follows the Labor Code of the Philippines and enforces internal policies and the guidelines with respect to labor unions. These policies include the Code of Discipline, and other guidelines on confidentiality, corporate governance, information technology (IT) security, non-competition, special leave benefits for women (per Republic Act No. 9710, or the Magna Carta of Women), sexual harassment (per Republic Act. No. 7877), and maintaining a drug-free workplace (per Republic Act No. 9165).
Opportunities & Management Approach
URC will continue to adhere to highest ethical and lawful conduct in the way it handles its employees.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:
We follow the Supplier Accreditation Policy of JG Summit Holdings Inc. ([See Annex 3](#))

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	Procurement employees are trained on Responsible Sourcing to ensure compliance with the Company’s Policies as well as government rules and regulations.
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

Impact, Stakeholders, & Management Approach
<p>Impact: As a food and beverage manufacturer, supply chain management is part of the company’s materiality. The impact of supply chain management affects the entire operations and also its corporate reputation. The company recognizes the effect towards its ESG status if the practice involves child labor, unfair practice in employment, forced labor, corruption, and negative environmental impacts such as deforestation.</p> <p>Stakeholders: Smallholder farmers, traders, direct suppliers, shareholders and employees URC works with suppliers that have a strong commitment to sustainability and leverage regional procurement as it continues to improve its overall supplier management. For the past three years, the company has promoted and built the foundation of sustainable agriculture for its stakeholders:</p> <p>Integrated in its Environment policy, the company commits to:</p> <ul style="list-style-type: none">• Build a portfolio of responsibly sourced materials and services that is compliant to health and safety, social, environmental and business integrity requirements.

Supplier Accreditation Policy and Process

URC oversees its procurement and sourcing processes, encompassing supplier accreditation, requirement identification, sourcing, contracting, and order fulfillment. This comprehensive approach ensures that the company consistently meets the needs of its stakeholders by engaging accredited suppliers, securing products at the right time, in the appropriate quality and quantity, and at the most competitive prices.

Specific to food processing sector, URC emphasizes the importance on traceability for raw materials and production inputs. This commitment serves to uphold stringent food safety standards, reflecting the company's dedication to delivering products of the highest quality. Prioritizing proper procurement practices is integral to URC's strategy, preventing any lapses in achieving targets and objectives.

To uphold these standards, URC adheres to its Supplier Accreditation Policy, detailed in Annex 3. This policy ensures that suppliers and contractors align with the company's stringent criteria for supply agreements. Suppliers and contractors undergo a meticulous accreditation process and receive orientation on URC's policies.

URC follows group-wide policies on managing procurement, which is implemented through the Business Supplier Accreditation Team (BUSAT), supervised by each Business Unit’s Procurement team.

Supplier Code of Conduct

URC established a set of standards to enable the company to pursue long-term business relationships with its partners based on responsible practices, transparency, and trust. The Supplier Code of conduct which contains requirements on Business Integrity, Social, and Environment was communicated to all suppliers of URC for compliance. If non-compliance is raised and validated, suppliers are expected to resolve the issues and take necessary corrective actions promptly. Failure of suppliers to implement the recommended corrective actions in a timely manner, gives URC the right to suspend or terminate business relationship until the corrective actions have been executed.

Food Safety and Quality Management Systems across the Value Chain

URC’s passion for quality is anchored on the vision of providing its customers with brands of exceptional quality and value. Good manufacturing practices are strictly implemented in its facilities and Quality at the source is heavily promoted, starting with supplier partners. Supplier Audits were conducted based on supplier risk assessment and supplier prioritization criteria to ensure the quality of goods and services supplied to the company.

Sustainable Procurement

To promote responsible sourcing of raw and packaging materials, demonstrate environmental stewardship, and enable sustainable development of communities where the company operates, the company launched the Sustainable Procurement program to revolutionize and lead the transformation towards the sustainable supply chain through the integration of 7 core subjects: organizational governance, human rights, labor practices, environment, fair operating practices, consumer issues and community involvement in developing a holistic procurement and sourcing

strategy.

Responsible sourcing: The company procured and used 44% RSPO-certified palm oil in its operations in 2023, to ensure that highest standards and industry practices in sourcing of palm oil and its derivatives are in place. Also, 100% of the company’s chipping potatoes were sourced from GAP-certified suppliers. The AIG business unit has been continuously using soybeans with the sustainable US Soy Seal, which received recognition from the US Soybean Export Council as the first company to use this in Southeast Asia in the previous year.

Sustainable farming: The company continuously helps the local farmers increase their yield and scale-up productivity by providing high quality table potato seeds as farm inputs to selected potato farming communities in Benguet, Bukidnon, and Davao del Sur through Sustainable Potato Program.

Project Salig was also continuously implemented supporting the sugar cane farmers in Negros, and Batangas, in partnership with the local government. Further details regarding is discussed under Relationship with Community section.

Supplier Engagement Forum: Last November 10, 2023, the company conducted another virtual Forum attended by more than 180 suppliers. The key highlight of the program was the webinar on GHG Emissions provided by the external expert from Carbon Trust, emphasizing the importance of starting with carbon footprint measurement to know where the highest carbon impact is and where to prioritize the decarbonization efforts and to balance effort with value on data collection and footprint calculation, and prioritize areas where emissions are more material. The important documents for submission, supplier code of conduct and supplier disclosure questionnaires were also reiterated during the program.

Supplier Management Program

To build a stronger supplier network by establishing a robust supplier management process in succeeding to become preferred business partner through managing a growing supplier base effectively, supplier performance evaluations, leveraging supplier relationship management, assessing, and mitigating supplier risk.

Supplier Awards

URC held its inaugural Global Supplier Excellence Awards on April 14, 2023, recognizing outstanding supplier performance and contributions to the company's success. The event aims to enable suppliers to commit to continuously improve and be sustainable, recognized the exemplary performance of the organization’s suppliers and acknowledged those who made a difference and undoubtedly contributed to the success of URC in delighting everyone with good food choices. As a crucial component of the awards event, URC launched the UR Partner – Global Supplier Excellence Program last 2022, composed of Global Procurement, Quality Assurance, Planning and Sustainability teams. The program is anchored by 4 pillars, namely: Supplier Optimization, Supplier Performance Management, Sustainable Procurement and Risk Management & Supplier Engagement.

The event kick-started with a welcome message from the Head of the Gokongwei Group, Lance Y. Gokongwei, who shared a look at supplier partnerships throughout the years. The highlight was the awarding ceremony in six award categories such as UR Partner Collaboration, Quality

Excellence, and Supplier of the Year. Over 35 awardees were acknowledged for excellence in quality, reliability, collaboration, sustainability, efficiency, and customer service. David J. Lim and Irwin C. Lee expressed gratitude for the essential contributions of suppliers in supporting URC's success and highlighted the importance of cultural collaboration for future growth.

URC’s supplier recognition programs demonstrate the company’s endless commitment to improving and acknowledging efforts and contributions that strengthen and set up the company for success.

Risks, Opportunities, and Management Approach
<p>Risks: Reputation Risks, Regulatory Risks, Supply Chain Risks, Market Risks, and Governance Risks</p> <p>URC commits to the highest standards of legal, environmental, ethical and social responsibility. The company commits to promote responsible sourcing of raw and packaging materials, demonstrate environmental stewardship and enable sustainable development of communities where the company operates. The company aims to create and contribute shared success with its stakeholders. Towards this goal, the approach will be a collaboration with suppliers to continuously improve its sourcing activities. By 2030, the company’s vision is to 100% responsibly-sourced key ingredients such as palm oil and chipping potato and 50% responsibly-sourced for coffee beans and cocoa.</p> <p>URC will transform towards a sustainable value chain through sustainable raw materials, sustainable supply chain, sustainable farming and climate protection programs. The company integrates responsible sourcing into the corporate sourcing strategy, business practices and Supplier Code of Conduct and leverage other sourcing functions to drive responsible sourcing practices. It will conduct formal risk and materiality assessment to identify and prioritize risks and impacts in the supply chains.</p> <p>The company aims to positively contributes to the UN SDGs 8, 9, & 11 through the programs and activities mentioned above.</p>

Relationship with Community

Significant Impacts on Local Communities


Operations with significant impact on local communities: AIG Kabalikat Program
<p>URC's Agro-Industrial Group (AIG), consolidated under Robina Agri Partners (RAP), initiated the Kabalikat Program in a bid to transform the lives of people in the host communities. The program leverages on AIG's expertise in farming operations to teach locals proper hog raising and other farming practices. It is part of URC's thrust to promote training, lifelong learning, and livelihood opportunities.</p>

Operations with significant impact on local communities: AIG Kabalikat Program
<p>AIG's Kabalikat Program, which started in June 2014 with the Uno+ Kabalikat Farms (Kfarms), provides farmers, especially hog raisers, knowledge on the latest farming technology and management practices. The program hinges on the principles of being a "kabalikat" (partner), both to consumers through the promise of "kalidad" (quality), and to partner farmers through "kita" (profit). Through the Kabalikat Program, the company demonstrates that AIG is not just an ordinary supplier of quality feeds and veterinary medicine, it is also a "kabalikat sa pag-unlad" (partner in progress).</p> <p>Managed by the Marketing Team of AIG, the program was initially conceptualized as a brand-building program which, through community engagement, created positive learning experiences for the farmers and their local communities. Through their testimonials, the company’s partner farmers themselves became AIG's brand ambassadors. The company also teaches its partner farmers bio-security systems so that they can protect their animals against diseases or harmful biological agents; this, in turn, also ensures that their meat products are clean and safe for human consumption.</p> <p>Knowledge transfer is done through lectures and discussions with AIG personnel and through hands-on training and on-site practice in AIG farms. AIG technicians also conduct weekly monitoring to ensure the continuous learning of the company’s partner farmers, and to also motivate them to implement the best practices they just learned.</p> <p>Since 2022, amidst persisting threats on biosecurity affecting the hogs and poultry industry, AIG heightened its Kabalikat services to partner farms, raisers and end-users through its latest Protect Kabalikat program – a specialized technical initiative latched on biosecurity drive, matched with various customer engagement and technical support programs. A pioneering team led by veterinarians called the Kabalikat Protect Team was also developed to concretize AIG’s expertise in customer-oriented technical services.</p> <p>The creation of Protect Kabalikat as well as the establishment of its team of veterinarians have ensured that AIG proactively supports the needs of customers and urgently provides technical assistance to the partners all over the country.</p> <p>Nationwide Protect Kabalikat efforts were rolled out, offering technical expertise including free consultation services, as well as Protect Kabalikat e-learning series sharing of skills and knowledge in health, sanitation and overall biosecurity measures. Specialized services were tailor-fitted to specific areas based on their ASF and AI zoning requirements, with rendered assistance such as biosecurity audit, disinfection drive, free vaccination and deworming administration, plus round table seminars to end-users and raisers.</p> <p>The impact of Kabalikat Protect has ensured the continuous viability of AIG’s initial Kabalikat Farm program which currently stands at 362 hog Kfarms, 282 Gamefowl Kfarms, and 252 K-kennels nationwide in 2023.</p> <p>With these continuous support towards biosecurity knowledge and measures, assistance in repopulation, and heightened customer-oriented technical services provided to partner farms, kennels, raisers and end-users nationwide, AIG was able to concretize being the pioneering Kabalikat to all agri-partners and stakeholders.</p>

Operations with significant impact on local communities: AIG Kabalikat Program
<p>This program positively contributes to the UN SDGs 4,8,9 and 11.</p> <p>Location: Nationwide</p> <p>Vulnerable groups: Hog Raisers and farmers</p> <p>Impact on Indigenous peoples: No particular negative impacts to indigenous groups</p> <p>Community rights and concerns of communities: The program leverages on AIG’s expertise in farming operations to teach locals proper hog raising and other farming practices. It is part of URC’s thrust to promote training, lifelong learning, and livelihood opportunities.</p> <p>Mitigating Measures: The program and its execution have no significant negative impact; hence, requires no mitigating measures.</p>
Operations with significant impact on local communities: SURE Project Salig
<p>Project Salig is a program of URC SURE that started in 2019 with the aim to develop partnership with sugarcane planters in districts where URC sugar mills operate. “Salig” is a Visayan word for “trust”; hence, the program aims to create partnership based on trust. In order to gain the trust of planters and make URC sugar mills their “mill of choice”, the mill endeavors to address major areas of concern for the planters – sugar recovery (LKgTC) and farm yield (tons cane per hectare), turn-around of hauling trucks during the milling season and customer service provision.</p> <p>Project Salig is composed of the following programs:</p> <ol style="list-style-type: none"> 1. Planter Partnership – entering into a partnership with sugarcane planters. Under this program, the mill will assist planters to improve the overall sugarcane farming practices so that the end result is an improved farm productivity and income. The program includes educating planters on correct farming practices, use of high yielding sugarcane varieties, access to farming resources that includes farm equipment, hauling logistics, fertilizer, etc. In return, the planter commits to support URC by delivering his canes to the mill. 2. Customer-Centric Culture – planters were, in the past, considered as suppliers of canes only; hence, the mindset is to treat planters the way the company treats all suppliers. The program aims to redirect the mindset towards a culture of partnership where the planters are considered partners in the industry. 3. Plant Efficiency and Sugar Recovery – one of the measures of a good sugar miller is the high LKgTC or the high sugar recovery of the mill which planters will likely patronize. The program is about improving plant efficiency and recovery by undergoing good off-season repair of the equipment and machinery, and investing on equipment that will deliver high performance. This will lead to the production of high-quality products that can command good price. 4. Truck Turn-around – faster turn-around means more canes delivered to the mill, faster harvesting, lower cost in transporting canes, and high utilization of cane hauling trucks. Slow turn-around is caused by a lot of factors such as mill breakdown/stoppages and slow milling rate. The program looks into ways and means of improving turn-around of trucks during the milling season by ensuring good off-season repair, eliminating inefficiencies in the system of receiving and accepting cane deliveries, and increasing milling rate by installing new equipment.

Operations with significant impact on local communities: SURE Project Salig
<p>5. One Stop Shop (OSS) – this program is designed to create a hassle-free, friendly, value-adding system when planters transact with the mill.</p> <p>One of the notable initiatives under Project Salig involved the repurposing of spent wash from a distillery plant as a liquid fertilizer for sugarcane fields through the implementation of furrow irrigation. A tanker was used to haul the spent wash from the storage lagoon to the field and was evenly distributed in the furrow with the use of pipes or flat hose.</p> <p>In the year 2023, a substantial volume of 456,000 cubic meters of spent wash was effectively delivered, contributing to the fertilization of over 37.1% of the expansive 8,000 hectares of sugarcane farmland. The quality of the fertilizer was tested to ensure its effectiveness. The sugarcanes harvested from these farms were subsequently transported to our sugarcane mills, completing a sustainable and circular business model.</p> <p>All of the above leads to one thing – making URC mills the mill of choice of planters.</p> <p>Location: The project was implemented in all URC sugar mills across the country – Negros Occidental, Negros Oriental, Iloilo, Batangas and Cagayan Valley</p> <p>Vulnerable groups: local small/marginal sugarcane farmers, especially the agrarian reform beneficiaries</p> <p>Impact on Indigenous peoples: No particular negative impacts to indigenous groups</p> <p>Community rights and concerns of communities: The project provides technical and, at times, financial assistance to sugarcane planters to improve their farm productivity, increase sugar recovery, and enhanced customer service. This delivers a long-term impact to the lives of the sugarcane farmers. By partnering with the mill, the planter will have access to various assistance programs such as technical seminars on good farming, access to high yielding variety sugarcane, farm equipment and hauling services, and financial loans.</p> <p>Mitigating Measures: The program and its execution have no significant negative impact; hence, requires no mitigating measures.</p>

Operations with significant impact on local communities: Flour Flourish Pilipinas

<div data-bbox="663 272 1142 514"><p>Supporting the Rise of Young Filipino Bakers</p></div>	<p>Since 2017, Universal Robina Corporation, through its Flour Division, has empowered aspiring bakers through Flourish Pilipinas, a learning program that aims to foster a nation of baker-entrepreneurs. From educational initiatives and workshops to baking competitions, the program has continuously evolved to recognize, hone, and support the skills, talent, and passion of baker hopefuls.</p> <p>In its 2023 edition, dubbed Bida Sa Masa, the program focused on equipping community bakers with technical and entrepreneurial skills to turn their passion for baking into a business. The competition held legs in Pasig, Davao, and Sariaya, culminating in a championship round. Four rounds tested the competitors:</p> <ul style="list-style-type: none">• Phase 1 saw contestants competing in an advanced baking workshop.• Phase 2 had them pitching business plans to a panel of judges.• Phase 3 put them in a baking and business plan competition that identified the regional winners.• Phase 4 brought together Phase 3's champions from the Pasig, Sariaya, and Davao legs. They competed in this final round, which retained the same mechanics as Phase 3. <p>Prizes at stake were startup capital for a business, baking tools and equipment, ingredients and consumables, plaques, and URC Flour products.</p> <p>In an interview with the champions, the three shared that their experiences in the 2023 URC Flourish Pilipinas: Bida Sa Masa instilled in them invaluable lessons not just in baking but also in business.</p> <p>Beyond imparting technical lessons, Bida Sa Masa also offered the champions an opportunity to change their lives.</p> <p>Months have passed since they won Bida Sa Masa, and all three champions have been busy applying their newfound skills and confidence to putting up their dream businesses.</p> <p>The company contributes to the UN SDGs 8,9 and 11 through this activity.</p> <p>Location: Baker John Academy</p> <p>Vulnerable groups: Bakers</p> <p>Impact on Indigenous peoples: No particular negative impacts to indigenous groups.</p>
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Operations with significant impact on local communities: Flour Flourish Pilipinas
<p>Community rights and concerns of communities: The competition supports the country’s baking industry and enhance the skills of bakers and future bakers.</p> <p>Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.</p>

Operations with significant impact on local communities: Sustainable Potato Farming
<p>Under the second phase of its Sustainable Potato Program, URC distributed some 135 tons of potato seed tubers to help hundreds of farmers in Benguet and Mountain Province to realize better harvest yields and improve their income.</p> <p>The first batch, composed of 108 tons of tubers, was distributed to 268 farmers, while the second batch, totaling 27 tons, benefited another 67 farmers. All 335 farmers are members of the United Potato Producers of Benguet and Mountain Province, Inc.</p> <p>The seedlings are expected to yield 1,350 tons of potatoes in four months, and up to 12,000 tons in 12 months or four planting cycles, according to URC.</p> <p>Since the program’s inception in 2019, the organization has received over 333 tons of potato seedlings, estimated to be worth Php 20 million.</p> <p>URC and DA representatives also visited various barangays in Davao Del Sur and Bukidnon to distribute 27 metric tons of granola table potatoes to over 200 farmer beneficiaries.</p> <p>A collaborative effort with the Department of Agriculture and the Bureau of Plant Industry, the Sustainable Potato Program aims to help potato farmers increase their yields, stabilize prices of highland vegetables, and help the national potato industry.</p> <p>Location: Benguet, Mt. Province, Bukidnon and Davao del Sur</p> <p>Vulnerable groups: local small-scale farmers</p> <p>Impact on Indigenous peoples: No particular negative impacts to indigenous groups</p>

<p>Community rights and concerns of communities: The program allows the stakeholders to exercise their rights to have access to a means of livelihood. It delivers long-term impact to the lives of the local Potato farmers in different regions and helped the national potato industry. The Program put into action the Conglomerate’s mission of “making the Filipino lives better”.</p> <p>Mitigating Measures: The operations have no significant negative impact, hence it requires no mitigating measures.</p>
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Customer/Consumer Management
Customer/Consumer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer Satisfaction	The company participated in the Advantage Report, which shows the performance of suppliers as evaluated by retailers. URC BCF Philippines is among the top 5 evaluated suppliers in 2023.	Y

Note: URC defines its customers as the trade (key accounts & distributors)

Impact and Risks: Where they occur, URC’s involvement, stakeholders affected
<p>Impact to stakeholders: Customer management program is fundamental to URC as it shows the ability of the company to deliver delight to customers despite enduring changes. With this program, process improvement initiatives are driven leading to an enhanced internal and end-consumer experience, improved top-line and bottom-line results.</p> <p>Customers: URC’s customer management program continuously aims to satisfy its customers by enabling direct interactions - understanding customer profiles, their businesses, shopper needs and satisfaction. This program empowers the organization, leveraging on positive customer experiences based on relevant and real-time information that is useful and beneficial to the business.</p> <p>Sales Volume: Sales volumes will be affected if trade partners and consumers will cease to patronize URC products should there be any negative or sub-par perceptions on quality, food safety and servicing capabilities.</p> <p>Brand reputation: Brand reputation is more vulnerable due to the ease of posting on social media and using it as a public platform to provide feedback on any brand/product. With URC's vast footprint in the region, any negative perception shall impact not only in a certain country, but across the ASEAN region as well.</p>

Impact and Risks: Where they occur, URC’s involvement, stakeholders affected
<p>Value Chain Impact:</p> <p>Direct Operations: The way the company manufactures its products impacts its food safety and quality standards. It will continue to reinforce the quality and food safety controls that are already in place.</p> <p>Suppliers: The input materials that the company uses from its suppliers will be questioned. URC will continue to partner with its suppliers to ensure that standards are upheld all the time.</p> <p>Risks:</p> <ul style="list-style-type: none">• The possibility of increased product complaints due to unsatisfied consumers impacting lower product patronage• The possibility of lower product patronage coming from consumer preference for the original product versus the reformulated product to meet the set wellness criteria
Management Approach for Impact and Risks
<p>Customer Satisfaction Survey: URC’s sales team performs a regular customer satisfaction survey with its key accounts in the modern trade channel.</p> <p>In addition, the company participated in the Advantage Report in the Philippines and has been part of the top 5 best suppliers evaluated in the last 3 years. The report is useful in tracking how the company fares in certain metrics, identifying opportunities to improve, leading to better engagement and collaboration.</p> <p>Customer Management: URC’s well-established distribution network and relationships with its accounts ensure that products reach the consumers promptly. The company aims to be a partner of choice for its customers through offering a broad portfolio of products reaching multiple price points, in addition to providing best in class service levels.</p> <p>The company’s distribution channels are grouped between modern trade, traditional trade and digital commerce. Note that this classification may vary in emerging, frontier, and developed markets. Modern trade channels are composed of nationwide chains of convenience stores, supermarkets, modern wholesalers, and some drug stores where the company engages in account management through their national headquarters. It distributes in two ways: (1) directly to the accounts’ consolidated warehouses where it will be distributed internally to the accounts’ respective channels or outlets and (2) directly serve straight to their outlets.</p> <p>In traditional trade, the company works with regional distributors who distribute to channels like sari-sari stores (mom and pop stores), market stalls, and smaller chains of mini-marts, groceries and big local supermarkets. The company strategically hand-picks its distributors, ensuring that each has significant coverage and expertise for a seamless flow of goods to trade and to the consumers.</p>

Impact and Risks: Where they occur, URC’s involvement, stakeholders affected
<p>Innovation and Consumer Insighting: The company believes that customer focus and continuous product innovation play a crucial role in the future of the business. Consumers today are evolving and are more discerning with the emergence of new global trends in snacking and drinking.</p> <p>The competitive dynamics have also changed, with both global and domestic players offering a wide range of choices across different product categories and channels. This requires the company to be more proactive and customer-focused on gaining insights that will, in turn, feed into its innovation portfolio management process.</p>
Opportunities & Management Approach
<p>Joint business planning with customers (distributors and accounts)</p> <p>Customer Management: The company is closely working with its distributors and key account partners through joint business planning and regular collaboration to ensure customer satisfaction. URC’s planning involves initiatives for the partners to further grow their businesses and continuously get feedback from them to explore opportunities for programs and product innovation aligned with UN SDGs 8 and 9.</p>

Product Health and Safety

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

Note:
- Information includes data from BCF-PH only

Impact, Stakeholders and Risks
<p>Impact: As a food and beverage manufacturer, our vision is to provide brands of exceptional quality and value to our consumers. URC is committed to uphold the quality and food safety of the products to ensure that it will not be compromised. The entire business will be adversely affected should there be a valid quality and food safety concern.</p> <p>Stakeholders: Customers/consumers</p> <p>Risks: The company may be exposed to reputation risks. Given the role of social media in people’s lives, URC cannot control posts and online feedback about the products. URC makes sure that complaints are attended to promptly and any dissatisfaction issues are addressed immediately.</p>

Management Approach for Impact and Risks

Quality and Food Safety Policy

URC commits to provide products that are safe and with exceptional quality and value, to delight its customers and consumers by

- Providing products that consistently conform to quality specification and food safety requirements,
- Meeting or exceeding our mutually-agreed customers, consumers, and our other stakeholders’ expectations,
- Complying with applicable statutory and regulatory requirements,
- Building capability, and providing training, tools and resources to employees to ensure competence in food safety
- Cultivating a positive food safety and quality culture with effective communication, training, employee feedback and engagement, and performance measurement.

The company did not face any substantiated product recalls due to product safety issues in 2023. As a company, URC aligns with DTI rules regarding product recalls. The company is continuously upgrading its Quality and Food Safety Standards based on updated global guidelines. URC has an internal measure, Process Conformance Index, that ensures product quality is within the expectations of consumers.

URC ensures that 100% of its products conform to standards and quality measures as prescribed by regulators, including the Philippine Food and Drug Administration (FDA), Department of Health (DOH), among others. As a company, URC adheres closely to the Philippine Food Safety Act (Republic Act or R.A. 10611) which protects consumer health and safety. Regulatory compliance encompasses product registration, sale, inspection, labeling, and marketing.

Across the operations, 100% of product categories undergo a stringent quality assurance process. Equipped with efficient systems and an empowered team, URC follows its Quality and Food Safety Plan at each stage of production to deliver good quality products.

End-consumer management: The company’s customer relations policy and procedures ensure that consumers' welfare is protected and concerns are well-addressed. URC has a customer care group dedicated to communicate directly with consumers, and a sales account management team dedicated to respond to the needs and concerns of accounts.

URC has its guidelines and procedures on how to attend and address all types of complaints received from calls, e-mails, social media, and even walk-in complainants. The company makes sure that guidelines are aligned with the Consumer Act of the Philippines. Once a complaint is received, Quality Assurance is immediately notified and an investigation is triggered. The Refiller Management Services team is also notified about complaints that were due to possible deviations in product handling and display guidelines.

Any expression of dissatisfaction is taken, whether valid or not, as an opportunity for the company to further enhance its existing controls.

Food Safety and Quality Management:

The company is committed to uphold the highest standards of Food Safety and Quality across all aspects of its operations, in alignment with the latest global standards and the company’s internal policies and procedures. To support this commitment, URC is consistently strengthening its current initiatives, including the One GMP (Good Manufacturing Practices) and URCORE Integrated Food Safety and Quality Management Systems. URCORE is the establishment of Management Systems Certification and Business Continuity readiness thru standards governance, documentations support and one-go-to platform for Operational Requirement references across URC operations.

The Quality Assurance team has evolved its systems through:
Designing and executing a risk-based internal audit program for the manufacturing and supply chain facilities aimed at ensuring compliance and driving continuous improvement
Developing training programs designed to elevate the capability of the plant internal auditors to detect systemic issues and improve the effectiveness of their management systems

Quality Recognition Programs
Part of the Sustainability Awards is the PEARL Excellence Award which is awarded to facility/plant and QA Head that embraces a Quality Culture which resulted in achieving exemplary performance for Quality and Food Safety. Category awards were also given to facilities with exemplary performance in Product Quality and Food Safety, Engaged Quality Practitioners, Actions to improve Infrastructures, Retained Certifications and Laboratory Management.

- PEARL Excellence in Quality Award**
 - Thailand Plants 1-3
- Category Awards**
 - Brand Quality Seal Award: Vietnam – Hanoi Plant
 - Globe Excellence Award: San Pedro 2 Plant
 - Quality Lens Award: Vietnam – Plant 2
 - Flask Award: Thailand Plants 1-3

Opportunities & Management Approach

URC actively explores opportunities to foster customer relationships and stakeholder engagements to ensure that their evolving needs are met. This is in line with the company’s commitment to enhance product portfolio by continuously offering high-quality, healthy and nutritious options to consumers. In addition, URC aims to achieve 100% sustained Food Safety and Quality Certifications. The company is continually elevating Quality and Food Safety Standards by:

- a. Aligning with the best practices in the industry and being certified to globally recognized Food Safety schemes such as FSSC 22000
- b. Leveraging on digitalization and customer care initiatives to enhance overall customer and consumer experiences.

Management Approach:

<p>Innovation and Consumer Insighting: URC started a new approach with the Innovation Process Management, covering product developments from ideation to execution. The risk assessment and mitigations associated with quality, regulatory, safety, intellectual property, etc. are covered by this process.</p> <p>End-consumer Management: URC benchmarks best in class end-to-end customer experience management capitalizing on the use of data and digital channels.</p>
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Marketing and Labelling

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

Note: - Data from BCF-PH only

Impact and Risks: Where they occur, URC’s involvement, stakeholders affected
<p>Impact: Proper labelling is both a regulatory mandate and a responsibility to the company’s consumers. The company has to be transparent with its product label declarations.</p> <p>Risk: Regulatory mandated product recalls and grievances from consumers may lead to risks in brand and product reputation.</p>
Management Approach for Impact and Risks
<p>The company adheres closely to the Philippine Food Safety Act (Republic Act or R.A. 10611) which protects consumer health and safety. Regulatory compliance encompasses product registration, sale, inspection, labeling, and marketing.</p> <p>URC ensures full compliance with regulatory labeling and product information requirements, implementing the necessary analysis for nutritional facts and claims.</p>



Use of brand name and/or trademark

Fortification

Product Name

Net Weight



Nutrition Facts

Ingredients

Lot Identification

Allergen Information

Storage Condition (for products that need special storage condition)

Name and Address of Manufacturer, Packer, Importer, Trader, and Distributor

Opportunities & Management Approach

The company will continue to do benchmarking versus peers and best practices in terms of marketing and labelling of its products.

Customer/Consumer Privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy	In URC, its customers are defined as key accounts and exclusive distributors. It will ensure that the account management process handles account/customer information with strict confidentiality. Therefore, this area is not applicable.	#
No. of complaints addressed		#
No. of customers, users and account holders whose information is used for secondary purposes		#

Impact and Risks: Where they occur, URC's involvement, stakeholders affected
<p>In URC, its customers are defined as key accounts and exclusive distributors.</p> <p>Impact: Customer information are confidential in both the key account customers in modern trade (ex. large grocery chains, convenience stores, modern wholesalers) and exclusive regional distributors in traditional trade.</p> <p>The company interfaces and manages its customer information through a key account manager in modern trade and a regional or area sales manager who manages each of its distributors in traditional trade.</p> <p>Risk: Breach in information which may result in distrust with key accounts or distributors.</p> <p>Management Approach for Impact and Risks</p> <p>The company collaborates closely with its customers, placing great value on its strong working relationships with them, treating them as strategic partners especially during the entire joint business planning process. URC handles account/customer information with strict confidentiality.</p> <p>Opportunities & Management Approach</p> <p>URC can leverage on digitalization wherein customer data is directly linked and accessible in the system ensuring more efficient data handling.</p>

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

Impact and Risks: Where they occur, URC's involvement, stakeholders affected
<p>Impact: As URC increasingly adopts digitalization to improve customer experience and increase efficiency in internal operations, there is greater need to invest in securing the network from cyberattacks.</p> <p>Stakeholder: Management, Employee, Customer/Consumer, Supplier/Business Partner</p> <p>Risks: Digitalization of URC transactions put the company at risk of data breaches, IT security issues and unauthorized access of company data. The loss of critical information assets can lead to a loss in the company's competitive advantage, customer confidence and reputation. This can significantly affect the overall status of the business.</p>

Management Approach for Impact and Risks
<p>Under the JGSHI umbrella, URC implements cyber-security capabilities to increase preventive measures to ensure the security and confidentiality of the company’s data. To date, the Data Privacy Policy and Information Security (InfoSec) Policies applicable to the whole conglomerate are in place.</p> <p>The Company established the Information Security Management Systems (ISMS) Policies that institutionalized information security as part of the conglomerate’s enterprise risk management, protect the Company’s information assets and reputation, and comply with relevant laws and regulations.</p>
Opportunities & Management Approach
<p>The ISMS consists of the following:</p> <ol style="list-style-type: none">1. Core Information Security Policies drive the primary objectives of the ISMS: establish, maintain, and improve information security2. Information Security Policy aims to establish, maintain, and continuously improve the ISMS to protect information assets, maintaining competitive advantage and increasing stakeholders’ confidence.3. Information Asset Management Policy aims to define and classify information assets in both physical and electronic formats and provide guidance on how to appropriately handle information assets according to classification.4. Information Security Incident Management Policy aims to mandate a structured approach in managing incidents that compromise corporate information and personal data of the business units’ customers.5. Compliance Policy aims to ensure that Business Units comply with applicable legal, regulatory requirements and contractual obligations, when conducting business activities.6. Organizational Policies aim to establish Information Security organization, roles and responsibilities as well as accountability of those who have access to corporate information7. Information Security Internal Organization Policy aims to establish the appropriate internal organization that ensure security of information assets8. Human Resource Security Policy aims to protect the company’s business interests by ensuring that employees and contractors understand and fulfill their roles and responsibilities to preserve information security before, during, and after employment9. Supplier Relations Policy aims to mandate controls that protect information assets exposed to suppliers and preserve the integrity of supplier selection activities10. Access and Use Policies enforce controls for access and authorization, as well as acceptable use of information assets11. Access Control Policy aims to implement adequate measures to regulate access to different information assets and facilities, ensuring that facilities and equipment are only accessed by authorized personnel

12. **Acceptable Use of Assets Policy** aims to ensure that employees understand how corporate assets should and should not be used, ensuring that the business unit gets the most value out of its corporate assets and networks to avoid unintended security breaches
13. **Physical and Environmental Security Policy** aims to protect corporate assets and information by mandating controls that prevent unauthorized physical access to company premises, as well as equipment that support business operations
14. **Mobile Device and Teleworking Policy** aims to establish rules for the use, management and security of all mobile devices that process company information and establish rules for conducting official business outside the work premises
15. **Operational Security Policy** refers to the implementation of technical controls to maintain the target level of security
16. **Cryptographic Controls Policy** aims to apply cryptographic controls (i.e. encryption) on confidential electronic information (e.g. files, databases), to add another layer of protection and prevent unauthorized use or disclosure
17. **Operations Security Policy** aims to apply appropriate controls to ensure that day to day operations are carried out in a controlled and a secure manner
18. **Communications Security Policy** aims to implement measures that will protect information as it moves both within the corporate network and outward
19. **Data Security Policy** aims to implement measures to protect corporate information from possible loss and leakage, avoiding breaches to legal, statutory or contractual obligations
20. **Secure Development Policy** aims to protect corporate information and minimize breaches by ensuring that information security is taken into consideration when developing or acquiring systems and services

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

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

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

UN SUSTAINABLE DEVELOPMENT GOALS
Product or Service Contribution to UN SDG Key products and services and its contribution to sustainable development.
Key Products and Services Branded Snack foods and Beverage
Societal Value/Contribution to UN SDG <p>For more than 65 years, URC has produced high-quality snack foods & beverages with exceptional value. Currently, its portfolio is driven by convenience, on-the-go, ready-to-eat, ready-to-drink, indulgence, and play.</p> <p>Snack foods: URC provided access to high quality and western snacks like real potato chips at a more competitive price. Today, Jack n Jill is a household brand that Filipinos continue to love.</p> <p>Noodles: The noodles business is a joint venture with Nissin of Japan, and it’s currently the #1 cup noodles brand in the market. It provided the working-class meal substitute on-the go, especially workers and millennials in tier 1 cities. We also have noodles in pouches from its Payless brand, and we believe that addresses social issues in hunger, especially in times of calamities, emergencies, pandemic, and financial crisis.</p> <p>Coffee: URC revolutionized the coffee mix market when URC launched Great Taste White Coffee and shifted the market significantly from instant to coffee mixes. Today, the coffee mix category has become an integral part of Filipinos lives, especially to the working class, and white coffee is the most significant sub-segment.</p> <p>Ready-to-drink Tea: C2 has been thriving against sodas/carbonated beverages when it was introduced as an alternative to consumers, given that consumers have already started to shift towards better for you choices. C2 is made from real tea leaves that are brewed and bottle the same day.</p> <p>Bottled Water: The bottled water brand Refresh is tagged as one of the basic goods by DTI. Through refresh, URC provides an additional supply of clean drinking water on-the-go, which is essential in times of calamities and emergencies.</p>
Impacts <p>Regulatory concerns towards wellness: As a food and beverage manufacturer, we believe that consumers are changing fast due to emerging trends brought by the growing middle-class population in the region.</p> <p>It was initially thought that the wellness criteria will be achieved 5 to 10 years from now, but it’s already happening. As you can see in 2018, the government previously imposed an excise tax on a sweetened beverage while some schools started to ban snacks and some types of beverages that did not pass the nutrition standards of DepED.</p>

<p>Issues concerning Single-Use Packaging</p> <p>Issues towards single-use plastics and ocean waste have been very visible in the last 2-3 years. The public has turned their eyes towards FMCG manufacturers as a source of the problem</p>
<p>Management Approach to Negative Impact</p> <p>In 2021, the URC Wellness Criteria was revised to make it applicable for all countries we operate in. It was revised using the WHO guidelines and the nutritional/ health data of ASEAN population. The criteria also reflects the range of the categories we operate in; and in the context that our portfolio is a part of the overall diet of our consumers.</p> <p>A. Criteria guiding Risk reduction</p> <ol style="list-style-type: none">1. Threshold for Total Fat: No more than 30% of the total energy per serving and No more than 10% SaFa of the total energy (WHO 2016)2. Threshold for Sugar: Less than 6% Added Sugar in Beverages & ≤10% of Total Kcal per serving for other products (WHO SSB)3. Threshold for Sodium: 1mg Sodium per Kcal per 100g product or per serving (WHO 2012/2016)4. Zero Trans Fat & Zero Cholesterol5. ≤ 230 calories per serving of snacks and beverages (WHO 2016) <p>B. Criteria guiding Enhanced Wellness</p> <ol style="list-style-type: none">1. Products addressing micronutrient deficiency (Such as: Iron, Iodine, Zinc, Folate, Vitamin A and D as source) (CDC Micronutrient Facts 2021 / PAHO-WHO 2016 Nutrient Profiling)2. Acceptable Macronutrient Distribution Range (AMDR) [Carbohydrate (55-70%), protein (10-15%) and fats (20-30%)] (National Academy of Science, FNB of the Institute of Medicine 2002/2004)3. 100% Natural Ingredients (Recognizable ingredients, naturally sourced, minimally processed. Free from artificial flavors / artificial colors / artificial preservatives / or synthetic additives.)4. 100% Plant based proteins5. Products using functional quality ingredients to improve wellness (Such as Protein, Fiber, Bioactives as source) <p>The company has upgraded its target for wellness criteria to achieve 100% total products passing 3 wellness criteria by 2030. In 2023, the total URC Wellness Score using the updated criteria, indicated that 100% of total products passed 1 URC Wellness Criterion, 99% passed 2 URC Wellness Criteria, 86% passed 3 URC Wellness Criteria, and 36% passed 4 URC Wellness Criteria.</p> <p>Furthermore, within the product portfolio, a significant number of products meet most of the Risk Reduction Criteria Thresholds. Specifically, 136 products, accounting for 14% out of 951 products, fall within the Threshold for Total Fat, 40% meet the criterion for Less than 6% Added Sugar in Beverages but less than 10% of total calories, 99% meet the criterion for <230 Calories per serving, 66% meet the criterion for 1mg Sodium per 1 Kcal Product, and 90% meet the criterion for 0 Trans Fat and 0 Cholesterol.</p>

The company continues to innovate its products to offer consumers good food choices in the health and wellness space. For example, in the Snackfoods category, the company launched Nova Nacho Cheese and Nova Sweet Corn Flavor with real Malunggay leaves. It has also started using natural colors for its snack products. Additionally, over the past two years, the company expanded the shift to include bakery products, introducing items such as Wafrets Bar Choco Vanilla, Magic Chips Sour Cream and Onion, Magic Chips Cheese, Magic Chips BBQ, Magic Creams Butter, and Magic Flakes Sweet Buttermilk. Furthermore, the company enhanced B45 Coffee Mix with Malunggay by adding Vitamin C and Zinc, two micronutrients known to support the normal function of the immune system.

All these initiatives contribute to the UN SDG 2.


Annex 1

Old Wellness Criteria	
1	All Green & Yellow Rated Product per DepEd Order 13 s 2017
2	Less than 6% Added Sugar in Beverages
3	Existing Products where sodium is reduced by 25% or more
4	Products addressing micronutrient deficiency
5	Less than 100 calories pack
6	No PHO & SatFat less than 1.5g/serving & Zero TransFat & Zero Cholesterol
7	100% Natural
8	Clean Label
9	100% Plant-based proteins
10	Products using functional quality ingredients to improve wellness

Annex 2

Updated Wellness Criteria	
1	Threshold for Total Fat: No more than 30% of the total energy per serving and No more than 10% SaFa of the total energy (WHO 2016)
2	Threshold for Sugar: Less than 6% Added Sugar in Beverages & ≤10% of Total Kcal per serving for other products (WHO SSB 2012)
3	Threshold for Sodium : 1mg Sodium per Kcal per 100g product or per serving (WHO 2012/2016)
4	Zero TransFat & Zero Cholesterol
5	≤ 230 calories per serving of snacks and beverages (WHO 2016)
6	Products addressing micronutrient deficiency (Such as: Iron, Iodine, Zinc, Folate, Vitamin A and D as source) (CDC Micronutrient Facts 2021 / PAHO-WHO 2016 Nutrient Profiling)
7	Acceptable Macronutrient Distribution Range (AMDR) [Carbohydrate (55-70%), protein (10-20%) and fats (20-30% but SaFa is less than 10% of total energy)] (National Academy of Science, FNB of the Institute of Medicine 2002/2004)
8	100% Natural Ingredients (Recognizable ingredients, naturally sourced, minimally processed, free from artificial flavors, artificial colors, artificial preservatives, or synthetic additives regardless of source)
9	100% Plant-based proteins
10	Products using functional quality ingredients to improve wellness (Such as Protein, Fiber, Bioactives as source)

Annex 3

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

I. OBJECTIVES

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

II. SCOPE

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

III. RESPONSIBILITIES

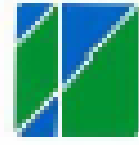
Following are the responsibilities related to the Supplier Accreditation Implementing Guidelines:

1. **Strategic Procurement Group** shall be responsible for:

- 1.1. Sourcing and pre-qualifying prospective Suppliers;
- 1.2. Requesting duly completed Supplier Accreditation Application Form (SAAF) and corresponding supporting documents from the Supplier;
- 1.3. Accomplishing the Proponent's portion of the SAAF and the Supplier Accreditation Rating Sheet;
- 1.4. Endorsing the supplier accreditation application packages to the CCU SAT Coordinator; and
- 1.5. Endorsing the newly accredited Suppliers to Aspen Central Data Management (CDM) Team for Vendor Code creation.

2. **Corporate Center Units Supplier Accreditation Team (CCU SAT)** shall be responsible for:

- 2.1 Performing the final review and assessment to determine the approval or disapproval of the Supplier's accreditation; and
- 2.2 Together with the Corporate Procurement Governance (CPG) Team, conducting investigation of endorsed cases that warrants suspension or debarment of a particular supplier.

 JG SUMMIT HOLDINGS, INC.	CHAPTER	PROCUREMENT
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3. CCU SAT Coordinator shall be responsible for:

- 3.1. Performing initial review of the supplier accreditation application;
- 3.2. Validating the submitted supplier documents, via available Government and Regulatory sites, as well as endorsing the same to CPG Team for validation through Dunn & Bradstreet;
- 3.3. Endorsing the supplier accreditation application packages to the CCU SAT Members for review and disposition;
- 3.4. Releasing the CCU SAT results and accreditation status;
- 3.5. Maintaining the Vendor Master List; and
- 3.6. Providing the same to the CPG Team on a monthly basis, for purpose of conglomerate-wide leveraging. Details shall include warranties, terms of payment and type of service.

4. Corporate Procurement Governance Team shall be responsible for:

- 4.1. Validating the Supplier's data through Dunn & Bradstreet and providing information upon request of the CCU SAT Coordinator;
- 4.2. Maintaining the central repository containing the conglomerate-wide Vendor Master List as well as the list of suspended/debarred Suppliers;
- 4.3. Together with the CCU SATs, conducting investigation of endorsed cases that warrants suspension or debarment of a particular supplier;
- 4.4. Releasing of an Incident Memo in cases of a Supplier's suspension or debarment; and

IV. IMPLEMENTING GUIDELINES

1. The Company shall establish a CCU SAT, with at least three (3) members representing various identified CCU groups appointed by the JGSHI President and CEO, capable of assessing the supplier's overall competencies.
2. CCU SAT may invite Subject Matter Experts (e. g. Technology, Engineering Team), who shall provide technical advice and assistance in assessing the supplier.
11. Suppliers with a Regular Accreditation status from other BUs shall qualify to engage and provide the requirements of CCU, unless otherwise restricted or subject to additional requirements imposed by the other BU SAT.
12. Supplier Accreditation status shall be valid until revoked or suspended/debarred.
13. Investigation shall be conducted by the CCU SAT, with the assistance of the Corporate Procurement Governance (CPG) Team regarding the disposition of endorsed cases that warrants suspension or debarment of a particular supplier. This Joint Investigation Team shall coordinate with other BU SATs to inquire on the performance of the supplier under investigation.
14. CPG Team shall release an incident memo containing the background and the results of the investigation as well as the announcement of suspension/debarment. CPG Team shall consolidate all suspended/debarred Suppliers in a repository.
15. The decision on the Joint Investigation Team s shall be final and valid across all BUs within the Gokongwei Group of Companies.
16. CPG Team shall endorse suspended/debarred Suppliers to ABSI-CDM via Master Data Management Tool for blocking in the system.
17. Suppliers may request for reinstatement course through CCU SAT, if they have already satisfactorily resolved the cause of their suspension or debarment. CCU SAT shall inform CPG Team of such reinstatement.