

Contextual Information

Company Details	
Name of Organization	House of Investments Inc.
Location of Headquarters	9th floor, Grepalife Building, Gil Puyat Ave, Makati City
Location of Operations	With operations in Luzon, Visayas, and Mindanao
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	<p>Report includes information from the following subsidiaries:</p> <ol style="list-style-type: none"> 1. iPeople Inc. <ol style="list-style-type: none"> a. Malayan Education Systems, Inc. (Operating under the name of “Mapúa University”) b. Malayan Colleges Laguna, Inc. (A Mapúa School) c. Malayan Colleges Mindanao (A Mapúa School), Inc. d. Malayan High School of Science, Inc. e. Affordable Private Education Center, Inc. (operating under the name of “APEC Schools”) f. University of Nueva Carceres g. National Teachers College 2. EEI Corporation 3. Landev Corporation <ol style="list-style-type: none"> a. Greyhounds Security and Investigation Corporation b. SECON Professional Training Academy 4. RCBC Realty Corporation 5. ATYC, Inc. 6. San Lorenzo Ruiz Investment Holdings and Services, Inc. 7. Hi-Eisai Pharmaceutical, Inc. 8. PetroEnergy Resources Corporation <ol style="list-style-type: none"> a. PetroGreen Energy Corporation <ol style="list-style-type: none"> i. Maibarara Geothermal Inc. ii. PetroWind Energy Inc. iii. PetroSolar Corporation 9. HI Cars, Inc.
Business Model, including Primary Activities, Brands, Products, and Services	House of Investments, Inc. (HI), an investment holding and management company, acquires, organizes, invests, and divests in various relevant corporate institutions and industries. HI provides an investment opportunity by raising funds from various sources to acquire entire businesses, take majority or significant minority control, and/or enter into joint ventures. HI aims to continue to build and grow a portfolio of strategically diversified and sustainable investments relevant to nation-

	<p>building, mindful of its environmental, economic, social, and governance responsibilities.</p> <p>The Company's core business focus is organized into four segments, namely: Construction, Education, Automotive, and Property Management Services. For Sustainability Reporting, the company will include its energy and pharmaceutical portfolio investments.</p> <p>Construction</p> <p>HI owns a majority stake in EEI Corporation (PSE:EEI). EEI is one of the largest general contracting firms in the country with domestic and international operations spanning across Southeast Asia to the Middle East. It is the market leader in the domestic construction and general contracting sector. It also has a world-class fabrication yard in Bauan, Batangas capable of servicing high-end electromechanical industries and refineries around the world. EEI is a Quadruple A rated General Engineering Contractor. This is the highest category license issued by the Philippine Contractors Accreditation Board (PCAB) of the Construction Industry Authority of the Philippines, an attached agency of the Department of Trade and Industry. The Company also holds ISO 9001, ISO 14001, and OHSAS 18001 certifications for quality, environmental management, and occupational health and safety standards.</p> <p>www.eei.com.ph</p> <p>Education</p> <p>HI owns a significant stake in iPeople, Inc. (PSE:IPO). iPeople (IPO) is the holding company under HI and the Yuchengco Group of Companies (YGC) that drives investments in the education sector. iPeople, Inc. (IPO) provides quality and accessible education to students from kindergarten to post-graduate across all income segments. IPO through its subsidiary schools, aims to promote research and innovation that addresses the concerns of communities and solve problems of industries. IPO also aims to become one of the best in the fields of Science, Technology, Engineering, and Mathematics (STEM) and leverage on the strength of its subsidiary schools in STEM, Outcomes-Based Education (OBE), distance learning, and cost-effective EdTech.</p> <p>https://ipeople.com.ph/home/our-company/corporate-profile/</p> <p>Automotive</p> <p>HI owns and operates car dealerships under the Honda, Isuzu and Geely brands. HI's Honda dealerships are in Quezon Avenue, Manila and Tandang Sora, and Greenhills. The Isuzu dealerships</p>
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	<p>are in Manila, Quezon City and Leyte. Geely dealership is in Manila.</p> <p>Property Management Services HI wholly owns Landev Corporation, which is primarily engaged in project, property, and facilities management. It also provides security services through its subsidiary Greyhounds Security and Investigation Corp.</p> <p>HI owns a minority stake in RCBC Realty Corporation, which provides real estate services. RCBC Realty Corporation is the owner of RCBC Plaza.</p> <p>HI wholly owns ATYC, Inc., which provides real estate services. ATYC, Inc. is the owner of A.T. Yuchengco Centre, a 34-storey tower located at the heart of Bonifacio Global City in Taguig.</p> <p>HI owns a significant stake at San Lorenzo Ruiz Investment Holdings and Services, Inc., which shall provide real estate services upon the completion of the construction of its building located in Makati.</p> <p>Energy HI has investments in the energy sector through its stake in PetroEnergy Resources Corporation (PSE:PERC) and EEI Power Corporation, a wholly-owned subsidiary of EEI. PetroEnergy is a publicly listed Philippine energy company founded in 1994 to undertake upstream oil exploration and development. Since then, it has diversified into renewable energy and power generation. PetroEnergy, through its renewable energy arm, PetroGreen Energy Corporation (PGEC), has investments in the following joint venture companies: PetroSolar Corporation, PetroWind Energy, Inc., and Maibarara Geothermal Inc.</p> <p>EEI Power Corporation engages in retail electricity supply and in the supply of electrical equipment and services, as well as electro-mechanical contracting works. It also has investments in renewable energy through its participation in Petro Green Energy Corporation, Petro Wind Energy, Inc. and PetroSolar Corporation.</p> <p>Pharmaceuticals HI-Eisai Pharmaceutical, Inc. is a joint venture with the Eisai Company of Japan. HI-Eisai imports pharmaceuticals from Japan which it sells in the Philippine market through established drug distributors. HI-Eisai has distinguished itself in the</p>
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	Philippines as the human healthcare corporation that markets high quality and innovative pharmaceutical products. https://hoi.com.ph/home/our-business/
Reporting Period	January 1, 2022 to December 31, 2022
Highest Ranking Person responsible for this report	Ruth C. Francisco HI Chief Risk Officer

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.

In 2019, the HI Group Senior Management and representatives from each of the divisions underwent several trainings and workshops to enhance their capability to assess the company's material non-financial aspects, while finding opportunities where the company can contribute to sustainable development through its core business. The steps undertaken are summarized as follows:

- a. Understanding the Sustainability Context: This step provides an overview of key societal challenges we are currently facing to provide better context in identifying which sustainability topics are material to the company, but also those that are material to society at large. This encouraged the Company to think beyond financial performance and explore how their core business can contribute to addressing these key societal challenges.
- b. Identifying material topics: An initial list of material topics was put together by the HI Group Senior Management and validated through group discussions with sustainability point persons per division, including middle management. Discussions were also made with key officers who have regular touch points with stakeholders to inform the materiality with common stakeholder issues and expectations. In finalizing the material topics, we used the guide questions in the memorandum:
 - a. Is it a key capital/risk/opportunity?
 - b. Do our key business activities impact the sustainability topic?
 - c. Do our major suppliers contribute significant impacts to this topic?
 - d. Do our products and services contribute significant impacts to the topic?
 - e. Is there a trend that points to a great likelihood that this topic will become material in the future?
- c. Defining Performance Metrics and Management Approach: For each material topic we identified, we defined key metrics that effectively measure our performance on such topics. We used the GRI reporting standards as reference. We also identified management approaches that are already in place or those we think should be put in place to improve our performance on these sustainability areas.

The UN Sustainable Development Goals (SDGs) was used as a guideline to identify the Company's societal, environmental, and economic impact and value creation.

Economic

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct Economic Value Generated (Revenue)	25,032,311,202	PhP
Direct Economic Value Distributed	22,086,650,370	PhP
Operating Costs	12,632,799,147	PhP
Employee Wages and Benefits	8,452,142,048	PhP
Payments to Providers of Capital	669,698,366	PhP
Taxes to Government	327,086,016	PhP
Community Investments	4,924,793	PhP
Economic value retained	2,945,660,832	PhP

Direct economic value generated, retained, and distributed include the economic impacts of all subsidiaries of HI Group, including subsidiaries that are outside the scope of this report.

Direct Economic Value

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

The economic impacts of HI are a result of its business activities. The scale of the impact will increase or decrease according to the scale of the business of HI and its subsidiaries. Our contribution to increasing the economic activity in the areas where we operate is based on how we flow economic value to various stakeholders such as government, suppliers, employees, local communities, and investors. The extent of employment opportunities we create through our businesses and through our suppliers is also affected by our business performance and success. Similarly, how we deploy our products and services in the education, construction, property management services, automotive, energy, and pharmaceuticals business segments also contribute in significant ways to economic growth and overall nation-building.

In 2022, HI Group generated PhP25,032,311,202 of direct economic value impact, 88% of which was distributed among the various stakeholders and the balance of 12% was retained for liquidity and investments purposes. The economic value generated for the year posted a drop of 1% against the prior year. The decline is mainly attributed to the lower value generated from the construction segment as the industry was challenged by the pandemic-related restrictions and the Russia-Ukraine war. This, however, was covered by the growth posted by the other segments and the value generated from new

businesses. This can be attributed to the reopening of the economy during the year allowing businesses to operate at regulated levels due to the controlled pandemic environment.

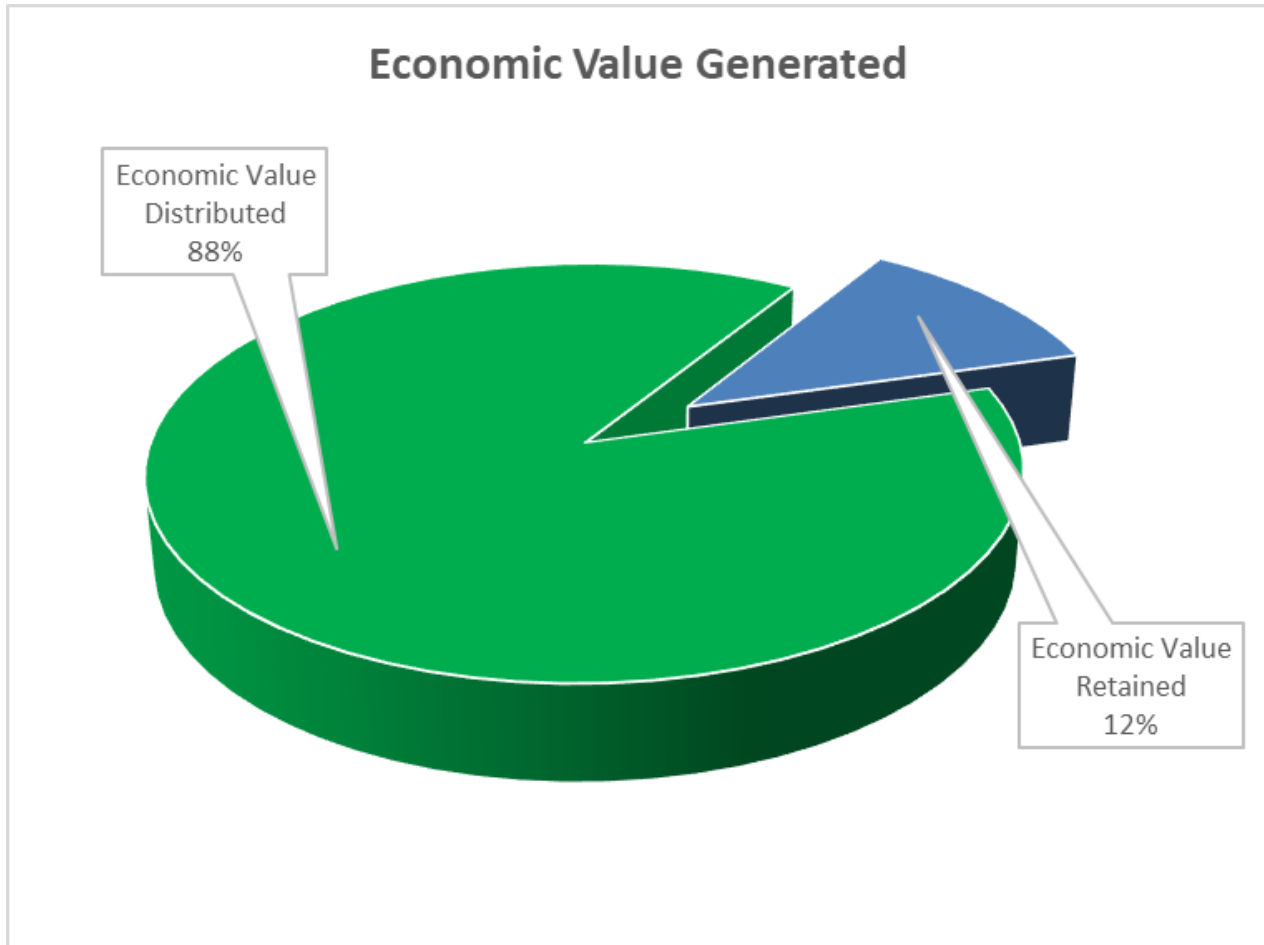


Figure 1. HI Economic Value Generated. HI distributed 88% of direct economic value generated and retained 12%.

The economic value distributed representing 88% of the value generated flowed back to the economy. Operating costs and expenses paid to various suppliers accounted for 57% of the economic value distributed while employees' wages and benefits had a 38% share. The remaining 5% was distributed to the providers of capital, the government, and to community investments.

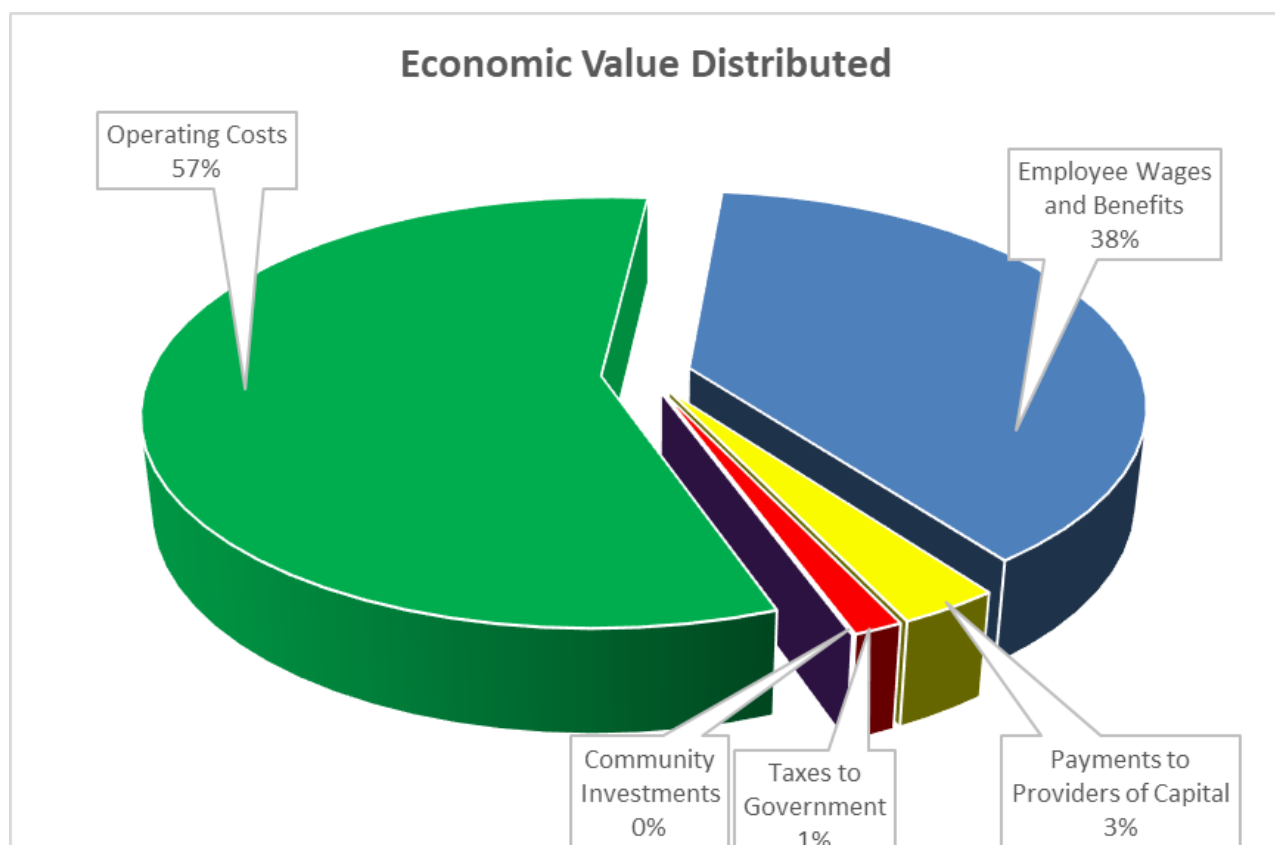


Figure 2. HI Economic Value Distributed. The operating costs accounted for 57% of the economic value distributed while employee wages and benefits accounted for 38%.

Discussion on Opportunities

HI and its relevant subsidiaries continue to explore opportunities to increase its direct economic impact. These include creating and growing a portfolio of strategically diversified and sustainable investments relevant to nation-building, supportive of the environmental and social goals, increasing funding from investors, and forging new partnerships.

Capitalizing on the efficient management of the challenges of the pandemic in the education business segment, the Group is looking for more opportunities to expand its programs, offering more fully online Bachelor of Science programs. There is also an opportunity to expand HI's direct economic impact in the construction, renewable energy, and property management sectors.

Climate-related risks and opportunities

The climate-related risks are covered by the risk management process and are being discussed by HI's Board Risk Oversight Committee (BROC). HI does not yet have a complete working plan for addressing climate-related risks. The Company is developing a system to understand the impact on its businesses including the vulnerabilities at different climate change scenarios to be able to fully disclose on this. The Company will be working on the plan to be able to possibly disclose in 2023.

Governance – Disclose the organization's governance around climate-related risks and opportunities

1. Describe the board's oversight of climate-related risks and opportunities

HI has a Board Risk Oversight Committee (BROC), an extension of the full Board of Directors, which meets every quarter to discuss key risks and opportunities of the company. One of the

BROCs main roles is to review management's effectiveness in managing risks. The BROCC also provides direction and guidance on how the company will not only respond to risks, but also take advantage of opportunities. For 2023, monitoring efforts towards meeting sustainability initiatives will be communicated and evaluated by the BROCC.

2. Describe management's role in assessing and managing climate- related risks and opportunities

The company has a Risk Management Council (RMC) composed of the top management. It meets every quarter to discuss the top risks and opportunities of company and strategies needed to manage such risks. The RMC is also tasked to execute the direction set by the BROCC regarding strategic risks and opportunities. For 2023, the top risks will be expanded to include ESG and climate change risks.

Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material

1. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term

Climate change has increased the severity of extreme weather events like stronger typhoons, floods, storm surges, droughts, fires, and others. Such phenomena impact business, industry, and employee safety and well-being. HI Group has policies and procedures in place to protect its businesses and employees.

2. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.

The Company and its subsidiaries acknowledge the existence of climate change and its intensifying effect. The risks identified include the following: cancellation of classes; work stoppage in affected construction projects, offices, and service centers; and destruction of properties where there is an extreme weather event.

The Group has identified the following opportunities: investment in renewable power or clean energy (like solar power farms and wind power); development of capabilities to design and build structures for flood mitigation (like flood gates) and enhancement of capabilities to perform green construction (like LEED certified) for the construction group; fully online delivery of classes for the education group; and digitization of processes across the entire group, among others.

As awareness of climate change risk increases throughout HI, additional risks and opportunities identified and required funding (if necessary), are being integrated in the operations of the Group. The group of companies also have insurances and business continuity programs for managing the effects of these perils to the business units. Describe the resilience of the organization's strategy, taking into consideration different climate - related scenarios including a 2°C or lower scenario

HI Group just started to embark on sustainability initiatives a few years back, focusing on promoting awareness among its stakeholders. Awareness continues to grow, including the need to commit to ongoing reduction of environmental impacts. The HI Group is committed to doing its part in limiting a global rise in temperature to under 2° by 2030. The Company is putting together the system to understand our vulnerabilities at different climate change scenarios and is working to disclose possibly in 2023.

Once the system is in place, the Company will establish an environmental plan, anchored on the 2°C scenario. The plan will include the metrics to be used, outline strategies to be implemented, and provide for constant feedback to determine if HI Group is on track in meeting key targets. Adjustments will be made to ensure HI Group will be able to meet its commitment.

HI is currently working on the development of its sustainability framework providing the structure on implementing and integrating sustainability into business strategies and organizational activities. This shall complement the risk management process aimed at addressing ESG risks and opportunities, which includes the climate-related risks.

Risk Management – Disclose how the organization identifies, assesses, and manages climate-related risks

1. Describe the organization's processes for identifying and assessing climate-related risk
The functional managers and their respective staff, as the risk owners, are responsible for identifying, assessing, and managing the climate-related risks inherent to their functions and operations. The Company has a Risk Management Council (RMC), composed of executive management, which meets periodically to discuss the key risks and opportunities, as well as the necessary strategies to manage the identified risks. The key risks are reported to the Board Risk Oversight Committee (BROC) for review and appropriate guidance.
2. Describe the organization's processes for managing climate-related risks
Managing climate-related risks follow the HI risk management process. Risk Management, in coordination of the risk owners identify climate change risk areas and present to the RMC for discussion and strategic implementation. These identified risks are presented at the quarterly RMC and BROC meetings for review, clarification and guidance. HI ensures that the Group are aligned and continue to comply with the environment-related goals and commitments.
3. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management
Climate-related risk assessment is imbedded into the enterprise risk management process. The identified climate-related risks are included in the periodic risk reviews, both at the Management and Board levels where appropriate. A risk champion for environment-related risks will be identified to assist in monitoring and managing the risks.

Metrics and Targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material

1. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process
For 2023, HI will identify and decide on the metrics to be used to assess and manage relevant climate-related risks, opportunities, and climate change impact. The Company acknowledges that without metrics to track progress and measure impact, it would be difficult to ascertain if the sustainability initiatives are making a difference.
2. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets
HI aims to set top-level sustainability-related objectives and performance targets in 2023 as it implements the sustainability framework and manage ESG and climate-related risks.

Procurement Practices

Proportion of spending on local suppliers

Local suppliers are suppliers with operations in the Philippines.

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

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

HI contributes to nation-building by purchasing from local suppliers whenever possible. Depending largely on local suppliers, spending of 90% of its total purchases, HI directly impacts the suppliers' own chain and their employees. The objective of HI's procurement process is to purchase goods and services efficiently and effectively while promoting fairness in dealings with the its suppliers and service providers. The Company continuously review, improve, and enforce procurement policies and procedures to ensure that all business units and suppliers are compliant with principles under the YGC Code of Business Conduct and Ethics and the HI Code of Conduct, including but not limited to Conflicts of Interest, Related Party Transactions, among others. All vendors are vetted and screened. The Procurement Department also performs vendor management, strategic sourcing of repetitive items, management of big-ticket purchases, enterprise spend analysis, and procurement risk management. The main risk in procurement is the possibility that the necessary goods and services are not available at the time these are required which may lead to higher costs of acquisition. The risk is being managed by strictly monitoring budgetary requirements and forging bulk purchase agreements with the suppliers when necessary.

Discussion on Opportunities

While the preference to purchase from local suppliers whenever possible is being practiced, there is no formal policy nor target metric for this. HI will work on procurement initiatives supportive of the UN sustainable goals in 2023.

Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti- corruption policies and procedures have been communicated to (1)	82	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to (1)	73	%
Percentage of directors and management that have received anti-corruption training (1)	56	%
Percentage of employees that have received anti-corruption training (1)	72	%

(1) Simple average across the following units: Automotive, Pharmaceutical, Property Management Services, Energy, Construction, Education

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption (1)	0	Number
Number of incidents in which employees were dismissed or disciplined for corruption (1)	0	Number
Number of incidents when contracts with business partners were terminated due to incidents of corruption (1)	0	Number

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach HI abides by the highest ethical and legal standards set by the Yuchengco Group of Companies (YGC). The YGC Code of Business Conduct and Ethics (“Code”) implicitly prohibits any form of corruption. HI employees are required to strictly abide by the Code. The Code is further supported by a Whistleblower Policy.

The HI Group has zero tolerance for any form of corruption, fraud, and dishonesty. As such, anti-corruption protocols, and procedures, and training covers all employees, from directors to rank-and-file. Any incidence of corruption within HI’s ranks and operations has serious ramifications on the Company’s reputation, our employees’ morale, and the trust of our suppliers, as well as the legal sanctions imposed by the government and other regulatory bodies. Corruption also dilutes the Company’s direct economic impact. HI Group employees are made aware of the Company’s anti-corruption policies, such as the YGC Code of Business Conduct and Ethics, HI Code of Conduct, Related Party Transactions, Conflict of Interest, Insider Trading, and Whistleblower Policy. All employees are briefed on these policies upon onboarding. Employees also review these policies annually and sign affirmations that they have read and will abide by these policies.

HI communicates its anti-corruption policies and procedures to external partners via the Group’s Supplier Accreditation Policy. All potential and current suppliers must abide by the Accreditation Policy, which requires suppliers to declare relatives and friends employed within HI and its subsidiaries and affiliates. The subsidiaries have their own specific anti-corruption policies that support the overall YGC policies.

Discussion on Opportunities

The HI Group continue to improve anti-corruption policies and procedures as applicable in its operations. Anti-corruption and related policies are rolled out group-wide for strict implementation and compliance. The Company may also consider supplier audit to ensure continued compliance with relevant laws and regulations.

Environment

Resource Management

Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (gasoline)	13,884	GJ
Energy consumption (diesel)	134,463	GJ
Energy consumption (total electricity)	341,097	GJ

Reference for gigajoules conversion: Biomass Energy Data Book which refers to GREET, The Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model, GREET 1.8d.1, developed by Argonne National Laboratory, Argonne, IL, released August 26, 2010.

Disclosure	2021 Quantity	2022 Quantity	Units	Increase (Decrease)	% Change
Energy consumption (gasoline)	16,872	13,884	GJ	-2,988	-18%
Energy consumption (diesel)	153,278	134,463	GJ	-18,815	-12%
Energy consumption (total electricity)	135,922	341,097	GJ	205,175	151%

The energy consumption increased in 2022 compared to 2021 mainly due to the reopening of the economy and the normalization of business onsite operations. The acquisition of the new businesses has likewise contributed to the utilization. The education division's consumption significantly increased as a result of the resumption of the full face to face classes and in campus activities and service delivery. While working from home remain to be an option for employees, the onsite work has increased.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

The construction division was the major energy consumer due to its extensive use of construction equipment, electricity generators, and vehicles, among others. In an effort to offset its reliance on fossil fuel, the construction division installed solar panels in its permanent sites to complement power sourced from the grid. The energy division's power plants obtain most of its electricity requirement from its own renewable energy operations. The Company's property managers are responsible for implementing energy efficiency measures within their controlled areas. These may include replacement of lighting fixtures to more efficient models, replacement of chillers for centralized air conditioning, and/or optimization of operating hours of equipment to reduce electricity consumption.

Discussion on Opportunities

While the Group has yet to implement and determine a formal energy reduction target, there is a group-wide implementation of energy saving policies and programs like the use of energy efficient lights and appliances, initiating systems and processes to improve energy efficiency and usage, and promoting awareness on energy conservation. As an initiative to utilize clean energy and support the use of renewable power, the Company has expanded its service offerings for the installation of solar rooftop systems to qualified business enterprises such as commercial and industrial facilities, including residential customers.

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	753,154	Cubic meter
Water consumption	749,379	Cubic meter
Water recycled and reused	4,692	Cubic meter

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
Water consumption within the HI Group occurs at the holding company level and each subsidiary's operations. The construction and energy divisions were the major water consumers during the year due to the requirements of the construction projects and power plants.

In general, water withdrawal for HI is through district utilities. The exceptions are the energy division and construction division, whose power plants and fabrication shop withdraw water from the local aquifer via deep wells. These deep wells have the necessary government permits. Water withdrawal in energy division is monitored using water meters.

The main risk associated with water consumption is running out of water. Water shortages result in disruption of operations and increased cost due to having additional water delivered to the sites via tanker trucks. Water shortage can be addressed by issuing advisories to consumers on how to conserve and reduce water consumption. The Company continue to implement various programs and activities such as reducing watering of plants, and quickly fixing leaks or other defects. Water reduction initiatives such as regular preventive maintenance, installation of low-flow fixtures, and usage of rainwater collection systems were already in place which contributed to the reduction in consumption. Both Mapua and MCM collect rainwater for use such as cleaning and watering plants.

Discussion on Opportunities

The Group will implement a water conservation program and set a target for water consumption reduction within the group as applicable to its operations. The energy division will continue to coordinate and assist in the management of watershed areas where it operates like the Makiling Forest Reserve and the Bamban watershed. For future power plant projects, the Company will consider the installation of rain harvesters as means to save water.

Materials used by the organization

Disclosure	Quantity	Units
Renewable		
Paper	5,606	Ream
Packaging materials	4	Ton
Non- renewable		
Aggregates and back -filling materials (sand, gravel, basecourse, backfill)	12,789	Bag
	252,692	Cubic meter
	229	Pieces
	22	Ton
Cement	605,664	Bag
Ready Concrete Mix	26,171	Bag
	38,133	Cubic meter
	59	Drum
	40	Gallon
	2,694	Liter
	6,558	Meter
	4,322,738	Pieces
	385	Set
	200	Gallon
	544	Kilogram
Steel (rebar,structural,flats,special steel)	2,058	Lot
	920	Meter
	68	Pack
	2	Pair
	316,683	Piece
	14	Roll
	3,561	Set
	1,570	Sheet
	117	Units
Percentage of recycled input materials used to manufacture the organization's primary products and service	0	%

Materials used in construction all have a high environmental impact, whether it is in extraction, purification, or manufacturing of materials. The Company ensures that there is proper management of inventory and proper evaluation and assessment to avoid wastage and promote efficient use of resources.

With the government regulations encouraging net-zero carbon future to limit global temperature rise, the Corporation continue to promote, design, construct and operate buildings that improve their environmental sustainability.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
As with other environmental disclosures, materials use within HI is based on the nature of each subsidiary's business. Construction is the most materials-intensive business unit, with tons of aggregates, cement, ready-mix concrete, and steel used in the construction of its major infrastructure projects. All of these materials have high environmental impacts during the extraction, purification, and/or manufacturing process. The quantity of materials used per year is dependent on the specific phase of the ongoing projects. The pharmaceutical division repackages medicines imported into smaller cartons and blister foils for retail sale and was the major user of paper and packaging materials.

As a matter of policy and part of the normal business operation, materials consumption is strictly monitored. The Group is cognizant of the need to reduce materials usage considering its impact to the environment and the corresponding incremental cost to its operations. Estimated materials consumption is based on the historical consumption and expected operational requirements for the year. Deviations of actual and/or requested consumption from the trend and estimated requirements are reported and discussed accordingly. The materials usage is strictly controlled with the implementation of an inventory management across the Group.

Discussion on Opportunities

HI Group continuously look for opportunities to automate and digitize where applicable with the end objective of reducing its materials consumption. As the top consumer of materials in the Group, the construction division is continuously improving every component of its value chain whether it be through digitalization, innovation technologies, and new building materials to attain efficiency of various processes, especially during engineering and design stages while also effectively reducing wastage.

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

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	• Maibarara Geothermal Power Project in Sto. Tomas, Batangas	Power plant
	• Nabas Wind Power Project in Nabas-Malay, Aklan	
Habitats protected or restored	• Maibarara: 1 hectare through tree planting activity	Hectare
	• Nabas: 7.14 hectares through tree planting activity	
IUCN Red List species and national conservation list species with habitats in areas affected by operations	Refer to tables below	

Maibarara Geothermal Power Project

Flora: Seven species are listed in the 2006 IUCN Red List of Threatened Species and DENR DAO 2007-01 (National Red List of Threatened Philippine Plants) as either vulnerable or critically endangered species (See table below). All the seven threatened species are trees.

Threatened Species recorded in the study area	Common name	Conservation status
<i>Artocarpus blancoi</i>	Antipolo	Vulnerable
<i>Celtis luzonica</i>	Magabuyo	Vulnerable
<i>Drynaria quercifolia</i>	Pakpak lawin	Vulnerable
<i>Koordersiendendron pinnatum</i>	Amugis	Vulnerable
<i>Macaranga grandifolia</i>	Takip asin	Vulnerable
<i>Parashorea malaanonan</i>	Bagtikan	Critically endangered
<i>Pterocarpus indicus</i>	Narra	Critically endangered

Fauna: No threatened species listed in the IUCN Red List and CITES List were recorded in the study area. Most of the recorded species are common and wide in distribution.

Nabas Wind Power Project

Flora: Only one (1) species is listed in the 2006 IUCN Red List of Threatened Species and DENR DAO 2007-01 (National Red List of Threatened Philippine Plants): narra (*Pterocarpus indicus*)

Fauna: Seven (7) species are listed in the IUCN Red List and CITES. This means that hunting and trade of these species are strictly prohibited and is punishable by law under RA 9147 or the Philippine Wildlife Act of 1995.

Threatened Species recorded in the study area	Common name	Conservation status
<i>Sus cebifrons</i>	Visayan Warty Pig	Critically Endangered
<i>Macaca fascicularis</i>	Long-tailed macaque	CITES App. II
<i>Prionailurus bengalensis</i>	Leopard Cat	CITES II
<i>Spilornis cheela</i>	Crested Serpent Eagle	CITES II
<i>Haliastur indus</i>	Brahminy kite	CITES II
<i>Varanus salvator</i>	Water monitor lizard	CITES II
<i>Malayopython reticulatus</i>	Reticulated python	CITES II

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach HI has two facilities located adjacent to protected areas and areas of high biodiversity value: Maibarara Geothermal Power Project (MGPP), adjacent to Mount Makiling Forest Reserve (MMFR), and Nabas Wind Power Project (NWPP), adjacent to Northwest Panay Peninsula Natural Park (NPPNP). The MMFR covers 4,244 hectares and is under the jurisdiction of the University of the Philippines-Los Baños (UPLB). The NPPNP covers 12,009 hectares and is under the jurisdiction of the Northwest Panay Biodiversity Management Council (NPBMC).

Renewable energy power plants impact biodiversity and the ecosystem. The impact, however, is inherently lower than operating fossil fuel power plants. Other environmental risks include possible changes in surrounding landscapes during the construction process, bird strikes on wind turbine towers during operations, among others. The Company uses technological measures and cooperation with the local community to reduce the impact to biodiversity and ecosystems. Bird strikes are mitigated through DTBird, a shutdown-on-demand technology that was installed in the wind turbines to minimize bird mortality. This system consists of several modules including the detection, dissuasion,

stoppage, and collision control when the presence of birds is detected near the turbines. As important, prior to development, the environmental impact assessment study revealed that the wind farm's project site is not a path for migratory birds.

Further, the Company take steps to be good partners with the protected area management agencies and with the local communities. MGPP has an ongoing Memorandum of Understanding (MOU) with UPLB to protect the Makiling Forest through tree planting and the allocation of support funds. The project funded the construction of two (2) watchtowers inside the MMFR to help in the protection and conservation of the area. The towers, similar to a lookout tower, serve as a forest station of MMFR forest guards so they can patrol the area against illegal activities, such as cutting of trees, slash and burn farming, etc.

MGPP also promotes habitat protection, which includes maintenance and protection of trees planted during the years 2015 to 2017. Planting and maintenance of the flowering fire trees (*Delonix regia*) along the boundary of MMFR is covered by MOA between MGI and LGU of Sto. Tomas, Batangas in accordance with the policies of UPLB -College of Forestry and Natural Resources (UPLB-CFNR) which has jurisdiction over the area. The nearby communities were tapped for the tree planting activities, as well as the maintenance and protection of planted trees inside the MMFR.

NWPP staff partner with the local communities for an annual tree planting activity with continuous monitoring, protection, and maintenance of the planted trees. Information Education Campaign (IEC) on biodiversity and wildlife and forest protection for the host community are likewise conducted.

Discussion on Opportunities

The wind farm has been identified as a potential ecotourism site. The Company is constructing a viewing deck to promote and enhance the ecotourism features of the wind farm. It is also looking forward to developing an ecotourism plan with the local government units and local communities, alongside the on-going construction of the view deck. The planned ecotourism development aims to increase awareness in environment protection and to provide additional sources of income for the local government and communities.

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions ¹	2,447	Tons CO ₂ e
Energy indirect (Scope 2) GHG Emissions ²	15,530	Tons CO ₂ e
Emissions of ozone-depleting substances (ODS)	-	Tons

¹ Scope 1 emissions calculated using Greenhouse Gas Protocol calculation tools: <https://ghgprotocol.org/calculation-tools>

² Scope 2 emissions calculated using Grid Emissions Factors (GEFs) provided by the Department of Energy (DOE): <https://www.doe.gov.ph/electric-power/2015-2017-national-grid-emission-factor-ngef>

Air pollutants

Disclosure	Quantity	Units
NOx	811	Ug/Ncm
SOx	Not applicable	Ug/Ncm
Persistent organic pollutants (POPs)	Not applicable	kg
Volatile organic compounds (VOCs)	Not applicable	kg
Hazardous air pollutants (HAPs)	Not applicable	Ug/Ncm
Particulate matter (PM)	Not applicable	Ug/Ncm

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Majority of the air emissions and pollutants are from the construction division due to its extensive use of diesel fuel in their construction operations and from the usage in generators and other large construction equipment like mobile cranes and backhoes. The Company has a department with competent personnel dedicated to monitoring and managing the environmental impact of work. Inspection following DENR guidelines covering ECC commitments (PD 1586), and compliance with all environmental protection laws such as but not limited to Clean Air Act (RA 8749), Clean Water Act (RA 9275), Hazardous Waste Act (RA 6969), Solid Waste Management (RA 9003), are strictly complied by the operations teams. As a developer and operator of renewable energy power plants, the energy division emits much less air pollutants compared to power plants using fossil fuel. The Company's major source of air pollutants during operations is the MGPP. The NWPP and TSPP do not emit air pollutants during operations. The energy division also does not use ozone-depleting substances in its operations.

In 2022, random testing was conducted by the construction division on the following projects and offices:

Project/Office	Test Conducted
Glam Residences	Noise Monitoring (Internal)
D&L Project	Noise Monitoring (Internal)
Tanza Yard	Wastewater Monitoring (Monthly)
Homebase	Wastewater Monitoring (Monthly); Ambient Air and Noise Level Monitoring; Source Emission Testing; Work Environment Measurement (WEM)

Discussion on Opportunities

The Corporation ensures compliance with environmental laws, regulations, standards, and other requirements such as permits to operate. The relevant business segments will continue to monitor emissions and ensure compliance with the standards set by regulatory agencies. For 2023, HI aims to integrate approaches into its processes and identify opportunities across all its divisions. The education division, through research and innovation, can help find solutions to reduce air pollution. The Company will look into and study available applicable technologies and process improvements that could help reduce air pollutants.

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	12,709,345	kg
Reusable	2,850,179	kg
Recyclable	27,760	kg
Composted	25,558	kg
Incinerated	849	kg
Residuals/Landfilled	9,805,000	kg

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
Solid waste is a risk to both human health and the environment as a whole. Improper disposal of solid waste can lead to the spread of diseases and the release of harmful substances into the environment. It also opens the company to legal and financial repercussions. Major sources of solid waste include the construction, education, and energy divisions. The Company follows certain procedures in generating, storing, transporting, or disposing of its waste. The Company also acquired the services of hazardous waste contractors, which are all accredited by the Department of Energy and Natural Resources and other government agencies, ensure wastes are properly managed to avoid fines or environmental liability. These contractors are evaluated annually to guarantee efficient waste disposal management.

The waste generated by the Group consists of domestic waste, such as food waste, plastics, packaging, and others. Recyclable materials such as PET bottles, papers, and cans generated are donated to the local community within the place of business for the barangay livelihood program. Residual wastes are disposed through DENR-accredited domestic waste haulers.

Discussion on Opportunities

HI aims to continuously reduce the generated amount of waste by initiating and taking advantage of the various reuse, exchange, recycling, or donation opportunities available. The construction division strengthened its procedures in generating, storing, transporting, and disposing of its waste which includes a ‘return to supplier agreement’ for hazardous wastes to ensure responsible disposal of wastes generated by project sites. The energy division is considering to implement more projects focused on upscaling wastes to be converted into more useful materials. The Company will also look at expanding the eco-brick project to involve more stakeholders. Another project under study is the provision of mobile libraries converted from a container van. These and other recycling initiatives will be more formalized and monitored.

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	129,961	kg
Total weight of hazardous waste transported	128,957	kg

Main types of hazardous wastes produced are used oil, lead acid batteries, fluorescent bulbs, chemical wastes, and empty containers previously containing hazardous chemicals.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
Hazardous waste is a serious risk to human health and safety and the environment as a whole. Risks include accidental spills, deliberate releases into the environment, improper storage, and improper disposal. These risks, if unmanaged, will lead to injuries, potential fatalities, severe pollution of the environment, and potential death of flora and fauna. It also opens the business unit to legal and

financial repercussions. The main source of hazardous waste within the HI Group are the construction division, energy and automotive divisions. The Group complies with all regulations regarding hazardous waste handling, storage, transport, and treatment/disposal are observed. Personnel handling these wastes are given the appropriate training and personal protective equipment (PPE). The wastes are stored in a secured, onsite hazardous waste storage room. Treatment/disposal is done by DENR-accredited hazardous waste haulers and treaters. Records are kept via the Certificate of Treatment provided by these treaters.

Used oil from the wind and geothermal power plants are disposed in partnership with Bantay Langis, the used oil recycling program of ABS-CBN Lingkod Kapamilya Foundation, Inc. (ALKFI). The energy division donates the monetary value of the used oil to ALKFI, which goes to the Foundation's environmental protection programs.

Discussion on Opportunities

HI may extend the partnership with ALKFI for hazardous waste to other projects. Current protocols, procedures, and technologies used may also be assessed to see if there are ways to minimize the generation of hazardous waste. An onsite audit of hazardous waste treaters' facilities may also be conducted to ensure that the hazardous wastes are treated properly. For 2023, HI aims to integrate approaches into its processes and identify opportunities across all its divisions.

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	30,493	Cubic meter
Percent of wastewater recycled %	4.77	%

1 Data from Energy, Education, and Construction head office only

2 Only MCM has wastewater recycling (with own STP)

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
Improper wastewater discharge has a negative effect on the environment through pollution, increased sedimentation, and potentially spreading diseases. It also opens the company to legal and financial repercussions. Among HI's business units, construction has the highest volume of monitored wastewater discharge. The Group ensures full compliance with RA 9275: The Philippine Clean Water Act and DAO 2016-08 Water Quality Guidelines and General Effluent Standards. The Group's facilities are either connected to a centralized sewage treatment facility or have their own sewage treatment plants (STP) or septic tanks in compliance with DENR requirements on wastewater discharge. Currently, only Malayan Colleges Mindanao (MCM) operates its own STP. The STP has a Discharge Permit and the wastewater parameters are monitored and complied with in accordance to the permit requirements. The treated wastewater is used for watering the plants. The power plants of the energy division generate domestic wastewater. The wastewater goes through a three-chambered septic tank with concrete flooring. Once full, the septic tank is siphoned by an accredited third-party contractor for proper disposal. The building where the head office is located also has its own septic tank. In addition to effluents, MGPP also monitors the water quality of the brine used in its turbines.

Discussion on Opportunities

HI will continue to research on and study available technologies that may help in managing water discharges. The Company will also continue to ensure compliance with regulatory obligations and ensure that any water discharge will not harm the environment and surrounding communities. For

2023, HI aims to integrate approaches into its processes and identify opportunities across all its divisions.

Environmental compliance

Non-compliance with Environmental Laws and Regulation

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

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
 HI Group prioritizes compliance with all environmental laws applicable to the Company's operations. Any non-compliance has regulatory risk, resulting in fines and/or sanctions which would disrupt the company's operations. HI business units, where applicable, have onsite Pollution Control Officers to oversee environmental compliance and are responsible for ensuring compliance with environmental laws and regulations.

Discussion on Opportunities

HI ensures compliance with all environmental laws applicable to the Group's operations and continues to minimize environmental violations by constantly improving its policies and practices. The Group monitors issuances of regulatory agencies and organizations relevant to its operations to be able to anticipate and adapt to potential changes. Violations are evaluated and necessary corrective measures are immediately implemented to ensure non-recurrence. The construction division seeks to improve its operations by adopting environmentally sound practices which contribute to addressing climate impact. The Corporation is continuously exploring new technologies, innovative processes, and environmentally friendly materials, and preferably local materials, in close coordination with the clients and project owners. The Company participates in creating sustainable cities and communities by being its client's partner in building sound infrastructures that make up and support such cities and communities.

Social

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees	32,053	Number
Number of female employees	4,415	Number
Number of male employees	27,638	Number
Attrition rate	6.07	Rate
Ratio of lowest paid employee against minimum wage	1 : 1	Ratio

1 Attrition rate = (no. of new hires – no. of turnover)/(average of total no. of employees of previous year and total no. of

employees of current year. May also be considered as Labor Turnover.

2 Ratio is presented as follows: salary of lowest-paid employee : minimum wage

3 The minimum wage per locality was applied in calculating the ratio.

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	82%	77%
PhilHealth	Y	76%	80%
Pag-ibig	Y	79%	71%
Parental leaves	Y	16%	11%
Vacation leaves	Y	78%	75%
Sick leaves	Y	45%	36%
Medical benefits (aside from PhilHealth)	Y	72%	65%
Housing assistance (aside from Pag-ibig)	N		
Retirement fund (aside from SSS)	Y	16%	14%
Further education support	Y	17%	17%
Company stock options	N		
Telecommuting	Y	64%	69%
Flexible-working Hours	Y	55%	51%

Housing assistance (aside from Pag-ibig) except Construction, Pharmaceutical

Telecommuting except Pharmaceutical, Energy, Property Services

The Group is compliant with and provides all government-mandated benefits to all covered employees. In addition, the Group provides medical benefits aside from PhilHealth in the form of health maintenance organization plan or medical insurance to its covered employees. The Group likewise promote continuing education by providing further education support by way of scholarships and/or discounts. The construction and pharmaceutical divisions provide housing assistance aside from Pag-ibig to its covered employees.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
The HI Group overall offers competitive wages, though specific rates will differ between the divisions, partly influenced by industry standards. As a conglomerate, the success of its employees will lead to the success and satisfaction of its clients. Risks due to employee attrition and wages include increased expenses in the recruitment and training of new employees, and the possibility of not being able to fill-up vacated positions which may lead to operations disruptions and below standard delivery of products and services resulting to customer dissatisfaction and revenue loss.

The Group recognizes that remuneration is an essential concern of employees. Thus, the divisions ensure that employees receive salaries commensurate with the value of the work they provide. HI Group identified opportunities to improve employee hiring and retention through matching benefits with market demands and improved training programs. Across the HI Group, the divisions ensure that employees receive government-mandated benefits. In addition, the divisions may provide varying benefits and incentives to their respective employees considering the nature of its operations.

The construction and education divisions hire the most temporary employees due the nature of its operations and the delivery of its products and services. The number of employees needed is dependent

on the construction project requirements and the student population in the education division. The construction and property management services divisions are male dominated, having higher number of male employees than female employees which is likewise inherent to its operational requirements. To mitigate the potential risks of the gender imbalance, all employees are informed of the Sexual Harassment Policy, which identifies unacceptable behavior and policies and procedures to be followed in case of harassment.

Attrition rates are division-dependent. Highest attrition rates during the year were recorded in education, energy, and the construction divisions. This is due to the high competition among companies in these respective industries for competent and trained employees. To manage attrition rates, the HR Departments focus on hiring the right talent and attitude, offering competitive compensation package, observing work-life balance, and healthy working environment. Upon voluntary separation from the divisions, employees are also interviewed by HR to determine the causes for the separation. This information is studied and used by HR as the basis for steps to take in the future.

The ratio of the lowest-paid employee's salary against minimum wage is also division-dependent because of the different operations and hiring requirements per division. However, all members of the HI Group follow all labor laws, including laws on minimum wage.

Employee training and development

Disclosure	Quantity	Units
Total training hours provided to employees	421,512	Hour
Female employees	181,009	Hour
Male employees	240,504	Hour
Average training hours provided to employees	19.63	Hour/employee
Female employees	17.60	Hour/employee
Male employees	14.85	Hour/employee

1 Training hours from the following divisions: Automotive, Property Management Services, Energy, Construction, Education, HI Parent. Includes training hours for both permanent and temporary employees.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
The education division has provided the most total number of trainings and average training hours to its employees, most of which are technology-related aimed at improving the online or remote delivery of classes and services. In addition to the internal and external trainings provided to promote career and professional growth, the education division supports and invests in further education of the relevant employees. The education division provide opportunities for training, certifications, and attendance in seminars and conferences to upgrade employee skills. Faculty members are given opportunities for further study and research; incentives for publication; and support for paper presentations both local and international. This initiative builds the competencies required to sustain the standard of education and services committed to the stakeholders. To ensure availability of sufficient skilled manpower, the construction division maintains government-accredited training facilities and certifies workers for highly technical skills like welding and pipefitting. The trainees are sourced from the provinces and provided with the necessary knowledge and skills to allow them to acquire good employment opportunities. Key risks associated with inadequately trained employees include poor customer service, lower organizational productivity, and increased attrition and turnover which may significantly impact the reputation of the Group.

The Group's training program is anchored on the Company's goals and business plans. It is designed based on the training needs analysis (TNA) conducted by HR and the employees' department head. It is important to carry out a proper training needs assessment to determine the kind of training employees need to make sure that they are confident and competent in completing the assigned function. Where applicable, an individual development plan is developed for the employees.

Discussion on Opportunities

Advocating continuing education to sustain the high level of standards for its products and services, the HI Group continue to invest and provide the necessary trainings to its employees and ensure that the necessary skills and competencies are acquired to meet the requirements of the organization. The Group will continue to enhance the learning delivery which may include cross-posting and e-learning, effectively identify and improve career gaps reviews and designing more effective training programs for the employees.

Labor management relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements		
Education	15	%
Construction	40	%
Pharmaceutical	100	%

Percentages based on permanent employees. Temporary employees are not eligible as members of the unions.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach HI companies respect employee rights to freedom of association and collective bargaining. The companies ensure that platforms for grievances are well-established and communicated to our employees. Proper dialogues with the appropriate management representatives and employees are conducted to address their concerns. The divisions with collective bargaining agreements endeavor to comply with the provisions of the agreement and regularly conduct labor-management meetings promoting transparency and communication for a healthy, positive labor relations. Risks due to negative relations may impact the operations like work stoppage or strike, financial risk due to low productivity, and reputation or loss of confidence in the organization by its stakeholders. Unresolved issues with the union may lead to unfair labor practice, which may be grounds for filing administrative, civil, or criminal cases.

Discussion on Opportunities

To ensure that there is a fair and transparent resolution of all union-related issues, the respective divisions will continue the regular engagement discussions with the unions to thresh out labor related issues before they become full-blown labor cases. The engagement discussions may also be used as avenues to eventually agree on the policies that would be beneficial to both management and the employees and to ensure that good relations between the union and the company is maintained.

Diversity and equal opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	13.77	%
% of male workers in the workforce	86.23	%
Number of employees from indigenous communities and/or vulnerable sector*	371	Number

Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
The HI companies value diversity by observing non-discriminatory practices in the hiring process, and instead focusing on the capabilities of potential employees. This allows the Group to reduce risks associated with lack of diversity, including unwanted limitations in perspective that can affect effective product and service development and highly-informed decision making. Promoting diversity can also help manage risks to brand and reputation.

The large variance in the overall male-to-female ratio of HI Group, which includes both the total of permanent and temporary employees, is due to the much-larger workforce of the construction division that skews mostly male. Excluding the construction division, the HI Group male-to-female ratio is 58% male vs 42% female. The property management services which includes the security services is also male dominated.

Discussion on Opportunities

Although HI Group companies conduct non-discriminatory practices in hiring, there are opportunities to increase female participation in traditionally male-dominated fields and vice-versa, which can positively impact brand and reputation and organizational perspectives. The lens of diversity also presents an opportunity for the HI Group to determine which diversity categories, beyond gender, are meaningful to their own industry and our local context.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity	Units
Safe Man-Hours	10,680,860	Man-hours
No. of work-related injuries	411	Number
No. of work-related fatalities	2	Number
No. of work related ill-health	0	Number
No. of safety drills	508	Number

Safe manhours” is defined as total number of continuous working hours since the last safety-related incident. This count resets to zero if an accident occurs. “Total manhours” is defined as Total Working Hours less Lost Time due to accident or other safety-related incidents.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

The HI Group has a strong safety culture, complying with the rules and regulations on occupational health and safety (OHS) standards. The relevant divisions have a well-established OHS mechanism applicable to their respective businesses that includes safety procedures, training, and safety drills. The Group realizes the importance of ensuring the welfare and safety of its employees, in addition to

potential reputational risk implications of worker accidents and fatalities.

The construction division has highest exposure to employee health and safety risks within the Group due to the nature of its operations and the projects it pursues. To manage these risks, the division employs a fully staffed and competent Safety Department that ensures safe working practices are employed in all of its projects. Moreover, safety violations are closely monitored and met with appropriate disciplinary actions to contain this risk. In addition to compliance with policies and procedures on workplace conditions, labor standards, and human rights, employees are given appropriate OSH Training.

The education division also has a significant exposure to health and safety risks, both to employees students. In 2022, the education division continued to implement the school-wide health and safety protocols based on IATF, CHED, DOH and DTI regulations on prevention and control of COVID-19 and ensured that there is strict compliance cross all schools. Health and safety reminders and bulletins on COVID 19 are also regularly communicated through postings in their websites, emails, and social media.

Discussion on Opportunities

The Group will continue to cultivate the culture of health and safety across its operations. The Company will work continuously with other OHS practitioners to enable a sharing of best practices in OHS. Further, HI will monitor updates in relevant regulations to ensure compliance.

The education division is evaluating its health and safety protocols on a continuing basis to ensure that such protocols cover all circumstances that may affect the health and safety of its employees and students, particularly in the event of calamities, natural disasters, and pandemic events. This includes the possibility of having regular structural audits to monitor and ensure the structural health of school buildings and other structures within the schools' campuses, and regular review and audit of the divisions health and safety protocols which cover pandemic events such as the COVID pandemic.

Labor Laws and Human Rights

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

The Group is compliant with labor laws and human rights, having no reported violations.

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

Disclosure	Y/N	If Yes, cite reference in the company policy
Forced labor	N	Not explicitly indicated in policies but compliant with labor laws and human rights
Child labor	N	
Human Rights	Y	Employee Manual

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
As a member of the YGC, HI Group abides by the YGC Code of Business Conduct and Ethics. The Group strictly observes human rights laws, particularly those against forced labor and child labor. The divisions have and strictly implement their own specific policies. While forced labor, child labor, and human rights are not explicitly discussed in these policies, compliance with labor laws and human

rights is implied as part of compliance with all national and local laws and regulations around these issues.

Discussion on Opportunities

There is an opportunity for HI Group to strengthen commitment to the promotion of human rights especially since the Group is present in labor-intensive industries such as construction. The Group will endeavor to work on policy provisions on human rights including anti-child labor, anti-forced labor, and respect for vulnerable group in employee, business partner, and other relevant company policies, and mechanisms for due diligence.

Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

The Procurement Shared Services (PSS) of HI provides essential procurement services to YGC members. All vendors are vetted and screened. PSS also performs vendor management, strategic sourcing of repetitive items, management of big-ticket purchases, enterprise spend analysis, and procurement risk management. It also develops, implements, and enforces procurement policies, procedures, guidelines, and practices for all YGC members. Some divisions may have their own procurement departments with their own supplier accreditation policy. However, these policies should complement YGC policy.

Do you consider the following sustainability topics when accrediting suppliers?

Disclosure	Y/N	If Yes, cite reference in the company policy
Environmental performance	Y	Explicitly mentioned in the Vendor Sustainability Attestation; Supplier Accreditation Policy
Forced labor	N	Not explicitly mentioned in the Supplier Accreditation Policy, but it is implicit due to suppliers being required to comply with all laws.
Child labor	N	
Human Rights	N	
Bribery and corruption	Y	Procurement Code of Behavior/Ethics for Suppliers

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
As a member of the YGC, HI Group abides by the YGC Code of Business Conduct and Ethics and Supplier Accreditation Policy. The divisions may also have their own specific policies. While forced labor, child labor, and human rights are not explicitly discussed in our internal policies, compliance with labor laws and human rights is part of the legal compliance requirements that our supplier need to meet in our accreditation process. The list accredited suppliers are reviewed periodically and suppliers with reported violations or negatively impact the Group may be, after an objective assessment delisted.

Discussion on Opportunities

HI continue to enhance its supplier assessment across companies to include other sustainability criteria. In 2022, the Company implemented the Sustainability Vendor Attestation for primary and active vendors to improve visibility on the vendor's sustainability compliance and performance. Full implementation and compliance on the improvements in the management of the supply chain is expected in 2023. HI recognizes that the Group needs to work with suppliers on capacity building and

with industry peers for the efficient and effective implementation. Moreover, HI Group can also work on improved visibility in our supply chain to include other sub-suppliers to enhance the evaluation of exposure to supply chain risks. The challenges of applying supply chain management techniques will require more quantitative studies, to evaluate the potential gains from better information management and the use of digital technologies.

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Operation of schools (K-12, undergraduate, post-graduate)	Luzon, Mindanao	The poor (Class D and E) as part of NSTP Adoption of Communities	No	None	None
Infrastructure Projects	Metro Manila, Bohol, Malolos, Bulacan and Clark, Pampanga	Not applicable	No	None	Coordination with MMDA, LGU, and other applicable regulatory agencies for traffic management schemes Joint Venture for Subway
Light Industry	Sto. Tomas Batangas, Compostela, Cebu	Not applicable	No	Yes	Coordination with MMDA, LGU, and other applicable regulatory agencies
Building Projects	Metro Manila, Cebu, Cavite, Pampanga	Not applicable	No	Yes	Coordination with MMDA, LGU, and other applicable regulatory agencies for traffic management schemes
Electro-Mechanical Projects	Quezon Province, Cebu, Batangas, Davao, Bulacan, Bataan, Pangasinan, Quezon City	Not applicable	No	Yes	Full compliance with DENR, LGU, and other gov't agencies for any damages in the environment and disturbance to biodiversity requirements

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Maibarara Geothermal Power Project	Sto. Tomas, Batangas	Not Applicable	No	Odor coming from the geothermal plant caused by H2S	Continuous Air quality Monitoring System (CAMS) installed near facility, shows H2S concentrations are within or below DENR standards Constant engagement with community to educate them on plant operations and reassure compliance with DENR
Nabas Wind Power Project	Nabas-Malay, Aklan	Not Applicable	No	Local hiring for applicable jobs	Health, Education, and Livelihood Projects
Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Tarlac Solar Power Project	Tarlac City	Not Applicable	No	Local hiring for applicable jobs	Health, Education, and Livelihood Projects

Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: Not Applicable

Certificates	Quantity	Units
FPIC process is still undergoing	Not applicable	Number
CP secured	Not applicable	Number

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Three divisions of the HI Group have significant impacts on their neighboring local communities: education, construction, and energy.

The education division have significant impact on the local communities around the school as hubs for thousands of students, faculty, and staff. A significant number of businesses that cater to the needs of the students (e.g., eateries, photocopying services, dormitories, etc.). These contribute to the economic development of the area. However, a potential negative impact is the increased traffic around the school areas due to increased travel around the area to service students. The Group works with the local government units (LGUs) to develop traffic routing schemes to lessen the schools' impacts on the traffic situation, and that vehicles and people around the schools do not hamper or impede the flow of traffic. In 2022, the schools continue to coordinate with the LGUs on the implementation of health and safety protocols mandated under IATF, DOH and CHED guidelines during the COVID pandemic. Further, the education division continue to offer online platforms to deliver classes, distance learning modules, and fully online programs. This is to diversify its offerings, reducing the risk and burden of students to go to school especially during the COVID pandemic. Currently, the Company deliver online classes on a school-wide level since students are unable to go to school for face-to-face classes. Fully online degree programs continued to be offered, as well as online application, examinations enrollment and the use of e-books to minimize the need for onsite transactions which lessen the need for students to go to the school campuses.

Majority of the construction division projects cover building roads, railway infrastructures, electromechanical, light industries, and commercial buildings. The noise of large equipment or traffic congestion due to the road closure affects the community. However, the Company ensures proper coordination with MMDA, LGU, and other agencies to address proper execution of Traffic Management Measures on the job sites, ensure a safe pedestrian access on roadways, maintain orderliness and cleanliness of construction materials placed in road spaces, provide traffic safety signs and campaign. Projects near residential areas observe allowable hours of operations, particularly at night, when most of the residents are resting at their homes. These are just a few of the safeguards to decrease traffic impact and avoid accidents.

As an operator of renewal energy generation facilities, the energy division has much less impact on the local community compared to standard fossil fuel power plants. However, impacts still exist through potential air pollution from the power plants (geothermal) and competition for water resources. PERC mitigates these by complying with all environmental regulations and consistent engagement with the community.

Discussion on Opportunities

For 2023, the Group aims to integrate sustainability into its strategies and processes and identify opportunities across all the relevant divisions. The construction and education divisions generate opportunities for communities such as increased access to many new and efficient facilities, provide a new source of income for those within the communities, and create better livelihood and employment opportunities.

To improve further the relationship with communities, the energy division will continue its corporate social responsibility program under the We Power H.E.L.P. banner. The division will also assist the communities so that they could access renewal energy incentives, such as the ER1-94 Benefit to Host

Communities from the DOE. The Company will provide assistance in terms of drafting project proposals, opening bank accounts, and implementing and monitoring approved projects.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	89%	No. Done internally
Net Promoter Score	82%	No. Done internally
Student Happiness Survey	4.50	No. Done internally

Customer satisfaction rating covers the automotive division; the Net Promoter Score and Student Happiness Survey is based on the education division's report.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

Customer satisfaction is key to the sustainability of HI and its subsidiaries. It impacts customer loyalty and future sales. We see customer satisfaction as a measure of how we are able to meet our customers' needs, which defines how we create value for our customers through our products and services. Product quality is key to us, especially as we are involved in the construction of public infrastructure, pharmaceuticals, and property management services where poor quality could lead to extremely high costs to property and human life. Any dissatisfied customer is an opportunity for us to review how we deliver value to them. Customers of the HI Group companies may include private individuals, other businesses, and government. As such, customer satisfaction indicators vary per company depending on the type of customers they serve.

Discussion on Opportunities

For 2032, the HI aims to conduct qualitative and quantitative approaches to measuring customer satisfaction. Opportunities for improving customer management may include structured customer surveys and more frequent requests for customer feedback. The education division continue to use these methods to improve their delivery of service. However, the surveys and methodologies are periodically reviewed to ensure that they provide a fair and accurate evaluation. Those division without a formal survey questionnaire to rate the customer satisfaction may consider its development to improve customer management.

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	4	Number
No. of complaints addressed	2	Number

Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by agencies.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
HI Group considers the health and safety of its products and services to be a top priority. The Group's products range from vehicles, medicines, and services targeted towards individual consumers, property

management, security, and energy targeted towards businesses, and infrastructure targeted towards the government. HI Group ensures that its products and services adhere to the highest safety standards.

During the year 2021, the construction division reported four cases, two of which were already closed while the balance is still for resolution. On July 2, 2021, the Tanza Yard received a Notice of Violation (NOV) from DENR Region IV-A for discharging of effluent in exceedance of DENR Effluent Standards, which was subsequently closed with a stern warning from DENR on July 13, 2021. The division has also resolved a complaint from a nearby community involving the Glam Residences inspected by the DENR due to complaints for alleged noise and air pollution from the project. The case has been resolved as arrangements have been done from all concerned communities. Pending complaints include those occurred at the Torre Lorenzo Loyola project in Quezon City for non-compliance with the safety measures /protections on a pedestrian due to insufficient safety nets and the Metro Manila Skyway Stage 3 project in Valenzuela City for violations of Mayor's Permit, undertaking, and failure to secure additional line of business as contractor. Coordination with the respective LGUs were made and resolution of the issues are ongoing.

Discussion on Opportunities

HI Group continue to evaluate and update the policies and procedures, monitor rules and regulations to ensure compliance in protecting customer health and safety. The construction division will improve its safety and health policy and procedures to protect internal and external customers and shall continue to adhere to the best international health and safety practices.

Marketing and labeling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	-	Number
No. of complaints addressed	-	Number

Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
There is no reported complaint against the Group during the year. HI Group, as a matter of policy and practice, take particular care to not misrepresent itself or its products to its customers and other stakeholders. Risks include loss of reputation of the companies, especially with the current widespread use and reach of social media. The reputation of the Group, as well as the recognition as part of the YGC, is a marketing strength. The Group periodically review its websites and other marketing and communication materials to ensure its accuracy and relevance. The materials are pre-cleared prior to the release of information.

Discussion on Opportunities

The Group regularly evaluates current marketing and communication strategies. This is to ensure that the strategies are appropriate and responsive to the needs of the group. The education division plans to upgrade the skills of its current marketing teams which includes crisis communications, management training, and social media management.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	1	Number
No. of complaints addressed	1	Number
No. of customers, users and account holders whose information is used for secondary purposes	-	Number

Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach
As a matter of policy, HI Group companies respect and uphold data privacy rights and ensure that all personal data collected from customers, suppliers, and other third parties are processed pursuant provisions of the Data Privacy Act of 2012 as reflected in each company's Data Privacy Manual. Risks due to loss of customer privacy include damage to the companies' reputations, disruption of operations, legal liability under new and amended laws, regulations, and guidelines, as well as contracts, and financial cost. Designated Data Privacy Officers at HI Parent and the Group are tasked to ensure compliance with the Data Privacy Act by implementing the data privacy policies of their respective companies. Privacy notices and data privacy statements are present in documents so that both internal and external customers are informed of how their information will be used. The divisions also have policies and protocols in place to handle complaints and inquiries on data privacy. As part of YGC policy, all HI Group employees are required to complete the annual IT security and data privacy training. In 2022, the education reported a complaint which was acted upon by the school concerned pursuant to its data privacy policies. Such complaint was immediately addressed and resolved by the school concerned.

Discussion on Opportunities

HI Group on a continuing basis evaluate the relevant policies to ensure that the group continue to secure customer information and that the policies are updated and compliant with current laws and regulations.

Data security

Disclosure	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	1	Number

Discussion on Impacts and Risks: Where they occur, stakeholders affected, and management approach

The security incident occurred at the education division for unauthorized disclosure of personal data, school and email addresses. The incident was reported to the National Privacy Commission within 72 hours, acted upon by the school concerned, including notification of the affected users within 72 hours, and resolved immediately pursuant to the Data Privacy Act of 2012 and its Implementing Rules and Regulations and the school's data privacy policies, including the breach management procedure. The full report, including the annexes (privacy impact assessment, IT security and data privacy policies, proof of notification) was likewise submitted to the NPC five (5) days after the incident was reported, and within the period provided under the Data Privacy Act. The incident was resolved, and all relevant regulatory and reportorial requirements were complied with by the school concerned.

HI ensures strict compliance with the data privacy act and the company's information and communications technology security policy. HI conducts periodic review and information campaign through data privacy and cybersecurity awareness programs. Further, HI initiated a groupwide investment in cybersecurity resources. The Group have IT policies on data security, such as a Data Privacy Manual, which are strictly implemented and regularly updated by their respective departments. The Data Privacy Manual includes the procedure on reporting an incident and the process of assessment and investigation. Mishandling and unauthorized disclosures of personal information of our stakeholders such as customers and vendors may lead to legal or regulatory sanctions.


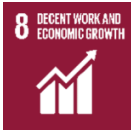

Discussion on Opportunities



The Group is strictly implementing the respective data privacy policies to ensure the security of all the information collected from all stakeholders. These policies are regularly updated to ensure that they are compliant with current laws and regulations, and that these are cascaded to all concerned.




UN Sustainable Development Goals

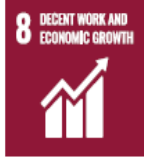


Product or Service Contribution to UN SDGs



Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Subsidiary: iPeople Education from kindergarten to post-graduate (depending on the school); non-certificate courses and trainings	<p>4.3 Equal access to affordable technical, vocational, and higher education</p> <p>4.B Expand higher education scholarships for developing countries</p> <p>4.C Increase supply of qualified teachers in developing countries</p> <p>8.6 Promote youth employment, education, or training</p> <div>   </div>	<p>1. Inaccessible to lower-income Filipinos particularly since hybrid, online or remote delivery is being implemented</p> <p>2. Increase in number of internally funded-scholarships and discounts is not cost-effective for the schools</p> <p>3. High quality graduates results in high demand and pay offered by companies both here and abroad, which results in loss of employees (e.g. qualified faculty) for IPO</p>	<p>1. Partnerships for scholarships (government and private)</p> <p>2. Internally-funded scholarships and discounts to allow the lower income segments to enroll.</p> <p>3. Offer competitive pay, benefits, and incentives for employees and faculty such as opportunity for further study, research incentives, and support for paper presentation</p>
Subsidiary: iPeople Research and development	<p>Innovation and research that contributes to knowledge and/or contributes to an improved quality of life for Filipinos.</p> <div>  </div>	<p>1. Cost of Research and Development (overspending)</p>	<p>1. Develop commercially viable projects, those that are “useful to society”, and those that may solve problems of communities or provide solutions to industries; Partner with government agencies (DOST) for funding of R&D projects.</p>
Subsidiary: EEI Corporation	Health and well being	<p>1. Employees on-site in the projects are constantly exposed</p>	<p>1. Allocate funds to ensure the health and safety of its workers.</p>



Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Engineering and Construction Services	 	<p>not only to the usual occupational diseases or injuries but may sometimes have difficulty with access to quality healthcare, medicine, and essential care services in case of emergencies.</p> <p>2. Poor training and retention of relevant knowledge among construction workers are factors responsible for re-works, and high incidence of injuries on project sites.</p>	<p>Maintain or improve sanitation and hygiene facilities in strict compliance with DOLE, COVID-19 INTER-AGENCY TASK FORCE, and Local Government standards in preventing and/or minimizing the entry of infectious diseases in the workplace.</p> <p>2. Provide or maintain on-site ambulances, medical life-saving devices and instruments, and health informatics that help promote the health and well-being of employees.</p> <p>3. Strengthen the prevention of substance abuse, including narcotic drug abuse and harmful use of alcohol.</p> <p>4. Alignment of Human Resource policies with the principle of human rights.</p> <p>5. Establish a relationship with government entities like TESDA and higher education institutions to improve the education of the employees.</p>




Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
			6. Provide employees with continuous opportunities to improve employee skills for their current and future employment. 7. Create training programs that will give the community access to the work in EEI which is an indirect impact on job creation.
	Reduced environmental impact   	Some of the issues that pose major environmental Sustainability problems include: 1. Heavy reliance on fossil fuel 2. Discharge of waste water 3. Creation of solid waste 4. Disposal of hazardous waste 5. Air pollution emissions 6. Low-cost fuels. 7. Traffic Congestion	1. Management's approach is on continuously improving on the efficient use of energy and fossil fuels and transition to cleaner sources of energy. 2. Establishment of safeguards and protocols in the discharge of waste water and hazardous waste 3. Utilization of technological innovations to mitigate air pollution emission 4. Monitoring of: <ul style="list-style-type: none"> total water discharge data by destination across the operation CO2e savings of each project. waste




Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
			<p>management and how EEI will improve and generate value from waste.</p> <p>5. Ensure full compliance and implementation of environmental laws, rules and regulations.</p>
	<p>Uplift livelihood</p>   	<p>1. Male-centric nature of the construction industry</p> <p>2. Inequality and discrimination.</p> <p>The nature of the construction industry, while it provides for decent work lends itself to slow economic growth due to the sheer volume of workers employed</p>	<p>1. Continuous firm implementation of the policy on non-discriminatory hiring practices</p> <p>2. Where it cannot address economic growth, Management mitigates the effects by providing trainings and additional skills to workers which they can take with them and equip them for better opportunities elsewhere</p> <p>3. The Company is committed to:</p> <ul style="list-style-type: none"> • Pay equal remuneration, including benefits, and for work of equal value to all women and men. • Zero-tolerance policy towards all forms of discrimination and violence at work

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
			<ul style="list-style-type: none"> • Equal opportunity and too entrenched gender stereotypes for any promotion, pieces of training, and even in decision making • The Corporate will use leverage to address adverse impacts. Such leverage can also be used to encourage changes in programs and activities that may exclude workers based on factors such as age, gender, religious beliefs, disability, national origin, or ethnicity
	Support for nation building  	1. The construction industry is the backbone of nation building. Industry, infrastructure and sustainable cities and communities will not exist if not for the construction industry that builds them. However, if left unmonitored or unchecked, the construction industry will negatively	1. Monitor use of energy and fossil fuel and find ways to mitigate and reduce consumption and transition to cleaner sources of energy. 2. Invest in new, resilient infrastructure or retrofit existing infrastructure to make it more sustainable. 3. Establish standards

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
		<p>impact any contributions if it fails to address its reliance on fossil fuels, wastages, and energy consumption.</p> <p>2. Computing and technology-based skills are of significant value to the corporate's business. Considering the demand for sophisticated infrastructure, there is a need for advanced technologies which have a great impact on economic growth and societal progress.</p> <p>EEI's role is not only in providing specific infrastructure and services solutions but also in contributing to the strategy that will support the overall optimization of urban systems to create safe, sustainable, and disaster-resilient cities.</p>	<p>and promote regulation that ensures projects and initiatives are sustainably managed.</p> <p>4. Find solutions to improve energy efficiency in the designs of buildings in collaboration with client's designers.</p> <p>Collaborate with cities and governments to find solutions to future mobility needs that minimize environmental impact while making transportation safer and more affordable for all.</p>
<p>Subsidiary: ATYC, Inc.</p> <p>Property Management Services/ Leasing</p>	<p>1. Sustainable Buildings</p> <p>2. Decent work and economic growth - creating job opportunities</p> <p>3. Responsible consumption and production – adoption of sustainable practices as energy-efficient buildings,</p>	<p>1. Environmental degradation through the construction, operation, and maintenance of buildings</p> <p>2. Increased energy consumption</p> <p>3. Waste generation</p>	<p>1. Adoption of responsible and ethical property management and leasing practices.</p> <p>2. Maintain environmentally sustainable operations.</p> <p>3. Establish monitoring and reporting</p>

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p>waste reduction and recycling, and water conservation</p> 		<p>mechanisms to assess and report on social, economic, and environmental performance and take corrective actions as needed.</p> <p>4. Compliance with regulatory requirements</p>
<p>Subsidiary: Landev Corporation, RCBC Realty Corporation</p> <p>Property Management Services</p>	<p>1. Sustainable Buildings</p> <p>2. Affordable and clean energy – promotion of sustainable energy practices by endorsing use of renewable energy sources in managed properties like solar panels and energy-efficient lighting</p> <p>3. Gender equality – promotion of gender equality in the real estate industry by ensuring fair and equal treatment of all genders in property management practices</p> 	<p>1. Environmental and social disaster</p> <p>2. Owner may not always prioritize environmental sustainability due to budget constraints</p>	<p>1. Trainings on and compliance with all mandatory and regulatory requirements and industry-related updates developments</p> <p>2. Implementing environmentally-friendly practices in property management, like energy and water conservation, waste reduction, and sustainable purchasing</p> <p>3. Engaging with stakeholders, understanding their needs and concerns, and incorporating their feedback into property management decisions</p>
<p>Subsidiary: Hi-Eisai</p> <p>Specialty Medicines</p>	<p>1. Health and well being</p> <p>2. Support Patient Access Programs</p> <p>3. Life preservation thru anti- cancer drugs</p> <p>4. Promote quality of life</p>	<p>1. Potential product recall due to gaps in product development.</p> <p>2. Health risk on drug disposal and</p>	<p>1. Strengthen quality control.</p> <p>2. Compliance to proper drug disposal and destruction</p>

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
		destruction	
Subsidiary: PERC Renewable Energy	<p>7.2 Increase in global percentage of renewable energy</p> <p>7.B Expand and upgrade energy services for developing countries</p> 	<ol style="list-style-type: none"> 1. Land use changes 2. Potential impacts to biodiversity 3. Competition with local community for freshwater sources 	<ol style="list-style-type: none"> 1. Environmental Impact Assessment (EIA) for project sites 2. Site rehabilitation and protection through bioengineering measures 3. Partnership with PAMB, LGUs, NGOs, local community, and other stakeholders for biodiversity protection 4. Controlled usage of freshwater
Cars Division Seller of Goods	<ol style="list-style-type: none"> 1. Provide self-employment / livelihood 2. Provide convenience to the commuting public when owning a car 	<ol style="list-style-type: none"> 1. Traffic congestion due to increased number of vehicles. Negative impact to environment of emission of additional vehicles on the roads. 	<ol style="list-style-type: none"> 1. Provide service to keep the vehicles in good condition to reduce emission.
Cars Division Seller of Service	<ol style="list-style-type: none"> 1. Health and well being - by providing regular maintenance services, safety inspections, and repairs for vehicles, ensuring safety and roadworthiness 2. Reduce negative impact to environmental by 	<ol style="list-style-type: none"> 1. Disposal of hazardous materials, such as used oil, batteries, and tires, servicing and repair activities 2. Air pollution and waste generation 3. challenges related to labor practices and worker safety 	<ol style="list-style-type: none"> 1. Provide Quality Delivery Service to all customers. 2. Conduct telemarketing and text blasts to all UIO clients for on time PMS check-up. 3. Implement environmental

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
	<p>reducing emissions caused by poorly maintained vehicles</p> <p>3. Responsible consumption and production - promoting responsible consumption by awareness campaigns, promoting maintenance and repair services to extend the lifespan of vehicles, facilitate responsible disposal and recycling of end-of-life vehicles.</p> <div>   </div> <div>  </div>		<p>management practices like energy-efficient facilities, waste reduction, and proper disposal of hazardous materials</p> <p>4. Adoption of fair labor practices, safe working conditions</p>

** None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*