

PHINMA

Making Lives Better

Sustainability Report 2020

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Report Boundaries GRI 102-46

This report covers the calendar year 2020 and presents the performance of our strategic business units: PHINMA Inc., PHINMA Corporation, PHINMA Education Holdings Inc., PHINMA Hospitality Corporation, PHINMA Property Holdings, Inc., PHINMA Solar Energy Corporation, and Union Galvasteel Corporation. This is the 2nd aggregated Sustainability Report measuring our sustainability performance on material issues under the triple bottomline of economic, social and environmental impacts. This report was prepared in accordance with the Global Reporting Initiative (GRI Standards: Core option).

The business units covered in this report are as follows:

- PHINMA, Inc. and PHINMA Corp.

- Construction Materials Group

Philcement Corporation
PHINMA Solar Energy Corporation
Union Galvasteel Corporation

- PHINMA Education Holdings Inc.

PHINMA Araullo University
PHINMA Cagayan de Oro College
PHINMA St. Jude College
PHINMA Southwestern University
PHINMA University of Iloilo
PHINMA University of Pangasinan
PHINMA Republican College

- PHINMA Hospitality

Microtel Mall of Asia
TRYP

- PHINMA Property Holdings Corporation

Arezzo Place Pasig
Asia Enclaves
Flora Vista
Fountain Breeze
Hacienda Balai Quezon City
L'Oasis Malabon
Sunny Villas
San Benissa Garden Villas
Sofia Bellevue
Solano Hills
Spazio Bernardo

PHINMA Sustainability

We at PHINMA are committed to making lives better through business excellence and in creating shared value and synergistic growth. Year 2020 was an unprecedented year of change and sudden disruptions. We began the year with volcanic eruption in January affecting several areas south of National Capital Region. This was followed by nationwide lockdown in March in an effort to protect the country and its citizen from the widespread infection brought about by SARS-Coronavirus. The Philippine government declared health emergency and sets of community quarantines following the spike of confirmed cases and local transmission. During this period, Philippines witnessed a very slow economic growth and prevented a lot of industries from operating their business. On the 4th quarter, the country was struck by series of strong typhoons severely affecting Bicol and Cagayan regions.

PHINMA was not spared from these series of challenges as all business came to a halt and drastic decrease in operations was implemented to comply with the regulations and precautions set by the national government. We acknowledge that these movements will significantly affect our people and our stakeholders and we are more compelled to explore appropriate approaches to adapt to this very unfamiliar situation.

Months of full and partial lockdown, PHINMA Business Units have more clarity into their own situations, and have been able to adapt, and for some, even prosper during the pandemic. Each PHINMA Business was able to adapt and return to business. Significant changes were made throughout each organization to manage the risks head on while significantly improving cost efficiency and reducing overhead. The groups were able to impose and implement various interventions across the organization previously thought to be difficult. When steeped in hot water, the businesses brought out strong and resilient output.

Now, more than ever, we recognize that the road to sustainability will present many challenges but PHINMA is committed to overcome these. Our sustainability strategy is crucial in ensuring that we protect our key resource materials at present and still be able to provide our essential services to future generations. We are aware that in our mission to make lives better, it is important to map out the full impact of our value chain process. With strong leadership, positive economic performance and creating partnerships for growth, PHINMA is prepared to take on our sustainability journey towards a better future.

At PHINMA, Sustainability is deeply aligned with our commitment to Making Lives Better. We are committed towards consciously embedding sustainability in our growth ambitions, present and future. This report and the effort to come up with data-driven sustainability metrics help us to ensure that we are truly Making Lives Better for our People, for our Planet, and towards our shared Progress.

Our Sustainability Framework



PHINMA understands that as we provide essential services to society, it is crucial for us to have an agile sustainability strategy to ensure that we are able to protect our key resource systems, in order to provide for future generations as well as for present needs. As we redefine and refine our strategies for the next decade, we are guided by our triple bottomline commitment to a sustainable future, so that PHINMA will survive, achieve, and prosper for generations to come.

Making Lives Better for PEOPLE.

We recognize how our business operations impact our internal stakeholders and adjacent communities as we aim to promote inclusive growth to maximize the potential of our most important asset, our people.

Making Lives Better for PLANET.

We acknowledge the need for a strategic plan to minimize the impact on the environment throughout our business operations. We remain steadfast in our accountability for the environment and in creating measures to leave positive handprints in areas where we operate.

Making Lives Better for PROGRESS.

We ensure the fairness and equity of our strategies to allocate financial resources for sustainable investments while embedding integrity, empathy and good corporate governance to support the progress of our nation

To support our target of business sustainability by Making Lives Better, your Company set out direction to properly assess current realities and challenges and promote corporate sustainability at all levels of the organization.

IDENTIFY. To promote a data-driven strategy, we identified material topics and collated data critical to the impact of our business operations.

INTEGRATE. Provide needs and gaps analysis, and engage process owners in the sustainability process development.

INFORM. Based on our sustainability performance, information and strategies will be cascaded to critical internal and external stakeholders.

INSPIRE. Sustainability is a key part of our corporate DNA. Sustainability will be presented to our stakeholders as the way we do business

At PHINMA, we are committed to Making Lives Better for our people, our planet, and for our shared progress, in a manner that is conscious and sustainable.

Our Materiality

In determining the GRI topics material to our stakeholders, materiality assessment was done in all strategic business units through questionnaire and focus group discussions. Topics were prioritized based on the level of influence of operations on our economic, social and environmental performance. We used the GRI-prescribed guideline in assessing the materiality for PHINMA.



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The following is the round view of PHINMA's sustainability showing the results of the materiality assessment and engagement activities for 2020. ^{GRI 102-47}



Our Sustainability Performance

Making Lives Better for PEOPLE

PHINMA has full appreciation of its workforce and places an important focus on their growth and development, as well as their health and safety. We also firmly believe that we have a moral and social obligation to promote inclusive growth for our local stakeholders and partner communities.

A. Empowerment and Education GRI 404-2

With the Company's commitment to development of employees' potentials, measures are undertaken to provide our workforce with training programs and meaningful job interactions. PHINMA believes in developing talent within the organization to deepen the bench in anticipation of future growth. We focus on continuous development of our people through leadership and competency-based training.

PHINMA also enables an inclusive transition toward an economic future that supports the well-being of workers and their communities. With all the by business disruptions brought the pandemic, your Company embrace sustainable business models that engender greater social equity and inclusive growth.

We also value diversity in our workforce and provide equal opportunities to all stakeholders. No preference is given on the basis of gender, cultural background, religion, political affiliation and ethnicity. There are no reported complaints from employees or applicants arising from issues related to diversity and discrimination.

B. Safety and Resiliency GRI 403-1

The safety and health of our own employees are a paramount concern of the Company. It is our responsibility to provide a safe and healthy workplace that will result in the delivery of excellent productivity by our employees. There is a continuous investment of time and resource to develop a culture of safety as we place more focus on employee development, enabling our people to be proactive in maintaining the safety standards within our workplace. We also aim to strengthen the implementation and monitoring of these policies to improve the safety performance of your Company.



PHINMA COVID-19 Response

During the lockdown, the safety of our people was our primary concern as we worked to ensure the safety of the entire workforce. Work shifted abruptly into remote work from home or alternative areas. Safety protocols and Personal Protective Equipment (PPE) were made available, while employees and contractual workers were kept whole for significant periods. Other key areas of focus were cash conservation and liquidity reserves, resource mobility and restrictions on logistics, cyber security and availability of sufficient bandwidth, and other compliance and regulatory requirements that came about at various stages.

As we face the challenges brought by COVID-19, PHINMA provided meaningful assistance to our employees and stakeholders in need. Taking care of our people by ensuring their health and safety has been a major priority in 2020. Here are some of the initiatives of PHINMA and its subsidiaries to ensure a safe and secure workplace.

- **Alternative Work Arrangements.** Work from home or flexible work schedule was set-up to prevent exposure of employees to COVID-19. Teleconferencing and other secured electronic forms of communications were utilized to perform daily tasks.
- **Health Screening.** Employees are required to provide regular health and travel declaration to make sure that health conditions are monitored and to detect early signs of COVID-19 among our internal stakeholders.
- **Use of Facemasks and PPEs.** Personal protective equipment such as facemasks and face shields are provided to all employees and it is mandatory use at all times. Protective suits are also provided as needed.
- **Health and Safety Precautions.** Mindful practice of safety precautions at work and at home is strictly observed. These are cascaded through videoconferences, signages and publicity materials through e-mail. Regular Kamustahan sessions are also done to gather feedback to further improve our protocols. Health insurance benefits were improved to cover COVID-19 cases.
- **Office Re-entry Protocols.** People reporting to the offices are kept at a minimum. SafePass monitoring system has been installed in PHINMA Plaza and PPHC Head Office for proper monitoring of entry points. Each strategic business unit has devised ways to monitor entry of employees, and practice proper protocols before coming to the workplace
- **Social Distancing Protocols.** PHINMA strictly implements the social distancing rule. Physical group meetings and gatherings are highly discouraged. In some common areas in our subsidiaries like the canteen, the use of the facility is scheduled between departments to prevent building of crowd and to ensure proper disinfection.
- **COVID Crisis Management Plan.** Protocols were set in place including isolation facilities and contact tracing, in case of possible incidents of COVID-19 within the workplace.

C. Employee Management and Engagement GRI 402-1

Your Company is committed in ensuring sufficient information dissemination prior to implementation of operational changes. Internet tools have been utilized to streamline communication to be able to connect people even when people are working from home. Trainings on security and proper use of technology such as webinars, teleconferencing and chat tools have been implemented to ensure smooth transition into the new normal.

We aim to maintain healthy relationship with employees through Kamustahan sessions to get a feel of the current working condition of each employee. We also take mental health with utmost concern during these challenging times and provide measures to help employees manage anxiety and mental stress. PHINMA has also been transparent in providing employees full disclosure of plans that may affect employees' well-being. To know more about our KKK sessions, you may refer to Section x page x.

D. Creating Enabling Mechanisms for Communities GRI 413-1

As the country faces the pandemic, PHINMA embarked on a new mission to assist affected individuals in coping with these challenging times. PHINMA Reaches Out (PRO) 2020: Our Community Collaboration Response to the COVID-19 Pandemic is PHINMA's response in both national and local levels to assist groups and communities with the health crisis in the country, in line with our longstanding commitment to making lives better for our countrymen. PRO 2020 involves significant resources across the PHINMA Group including our network of people and civil society partners. PHINMA partnered with various groups and individuals in conducting efforts to respond to the needs of these at-risk sectors affected by the COVID-19 crisis.

PHINMA also responded to the call for emergency response brought by different natural disasters like the Taal Volcano eruption in January affecting the areas of South Luzon, and the series of strong typhoons and floods in Bicol, Rizal and Cagayan. Employee support was organized through the PHINMA HERO Program, and partnerships were formed with other like-minded groups and individuals for quicker mobilization and response.



PHINMA Reaches Out 2020

The COVID-19 pandemic in the Philippines has put communities and various sectors at risk. PHINMA partnered with various groups and individuals in conducting efforts to respond to the needs of these at-risk sectors affected by the COVID-19 crisis. By organizing a PHINMA Reaches Out 2020 Task Force, PHINMA aimed to support the following:

- Provision of protective equipment for our frontliners, development of testing kits, and meals for healthcare workers
- Support for vulnerable community through donation of groceries, sacks of rice, and other food packs.
- Assistance for the basic needs of No Work, No Pay employees




Through PHINMA Reaches Out 2020, we were able to support 13 organizations providing protective equipment for frontliners and assistance to vulnerable communities. By the end of June, we were able to provide the following:

Donation to External Organizations : **P 13,290,500.00**
Donation to PHINMA CSR Communities : **P 11,426,703.00**
Support to 'No Work No Pay' employees : **P 11,768,428.86**

TOTAL: P36,485,631.86



Social Performance Highlights

4 QUALITY EDUCATION 	4.6. Literacy and numeracy	5 GENDER EQUALITY 	5.5.1. Proportion of seats held by women	8 DECENT WORK AND ECONOMIC GROWTH 	8.5. Full and productive employment 8.8. Labor rights, safe and secure working environment
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Employee Data GRI 401-1

PHINMA Inc./Corp.	102	TOTAL: 3,812 employees
Philcement Corporation	92	
PHINMA Education	2369	
PHINMA Hospitality	86	
PHINMA Properties	334	
PHINMA Solar	10	
Union Galvasteel Corporation	819	

Attrition Rate:
13%

Number of employees under Collective Bargaining Agreement:
414 (11%) GRI 407

Benefits Provided

<ul style="list-style-type: none"> - SSS - PhilHealth - Pag-IBIG - Parental leaves - Vacation leaves - Sick leaves 	<ul style="list-style-type: none"> - Medical benefits - Retirement fund - Telecommuting - Flexible working hours - Rice and Laundry Allowance 	<p>Other Benefits:</p> <ul style="list-style-type: none"> - Life & Accident Insurance - Meal allowances - Transportation benefits - Access to emergency loans through T-O Insurance
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Empowerment and Education GRI 404-1

Accounted Training Hours **20,705 hours**

List of Trainings Done

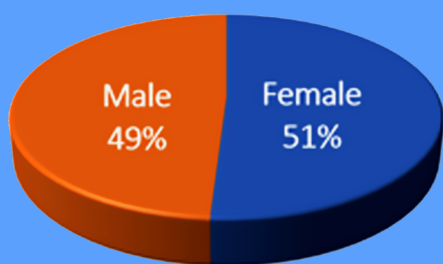
<p>Construction Materials Group</p> <ul style="list-style-type: none"> - Technical Trainings - Non-Technical Trainings - Safety Trainings - New Employee Orientation - Leadership Trainings - On-the-Job Trainings - ONE1HR Roadshow - Policy Orientations <p>PHINMA Corp.</p> <ul style="list-style-type: none"> - 3C's of Business Partnership - Coaches Connect - Gen. Business Management - Leading Teams Effectively - Life Transitions Workshop - New Employee Orientation - BOUNCE Forward! - Graphics Design using Canva - Personal Leadership & Goal Visualization - The SEED Lifestyle 	<p>PHINMA Education</p> <ul style="list-style-type: none"> - Faculty Tool Kit - Return to Workplace - G! For G-SUITE & E-Apps! - Active Learning Crash Course - New Employee Orientation - Pag-IBIG Fund Virtual Update - Inset per College - Great Teacher Program - Microsoft Office - Social Media Training <p>PHINMA Hospitality</p> <ul style="list-style-type: none"> - Capacity Building and Service Excellence - Count on Us Initiative - COVID-19 Related Trainings - Communicating with Employees Through a Crisis - Food Safety and Sanitation - Hotel Safety and Resiliency - HR Upskilling - Mental Health Programs - Wyndham MyPortal
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Socio-economic Compliance GRI 419

Human Rights Issues	0
Incidents of Discrimination	0

Diversity and Equal Opportunity GRI 405-1

Employee Gender Ratio



Gender Ratio for Officers of PHINMA Corp. (Male to Female) **17:19**

Occupational Health and Safety GRI 403-9 to 10

Work-related injuries	61
Work-related fatalities	0
Work-related ill-health	0
Safety drills and trainings	45
COVID-19 Transmission within Operation	0

Making Lives Better for PLANET

To make lives better for the planet, PHINMA and our subsidiaries have programs in place to mitigate the impact of our operation on the environment, and for the efficient use of its raw materials and resources. Your Company looks after the responsible use of materials such as water, energy, and raw inputs bringing circular economy business solutions to scale throughout the value chain.

A. Responsible Use of Materials

1. Energy GRI 302-1

PHINMA aims to promote efficient use of electricity through its energy efficiency programs. PHINMA and its subsidiaries have established existing processes to improve their energy efficiency to contribute to sustainability. Renewable energy resources were also tapped as different subsidiaries have installed solar roofing technology to augment their needs for reliable and clean energy. Sequestered GHG emissions from these practices have been monitored.

In 2020, the electricity of consumption of PHINMA and its subsidiaries totaled 12,600,949 kWh. A lower energy consumption was observed in several working spaces compared to that of 2019 due to the reduced operating period caused by the series of lockdown in selected areas, and to the work-from-home arrangement of employees. Moving forward, the 2019 and 2020 data will serve as the valuable benchmark in the future as different PHINMA subsidiaries evolve in the way business is operated. Here are some of the programs implemented in each subsidiary:

- Use of LED lights in office and turning off the light and air-conditioning units when leaving the room. Appliances are also unplugged when not in use.
- Replacement of existing non-inverter air-conditioning units to inverter type.
- PHINMA Education created a reward mechanism for responsibility center or department with highest kW savings for the semester to encourage efficient use of electricity
- PHINMA Properties advocate for energy efficiency regularly send energy conservation tips to their communities

2. Water GRI 303-5

Water use is an important focus area for the Company. PHINMA intends to significantly reduce its overall water consumption through various conservation initiatives in all project sites, and by installing new technological breakthrough aimed towards water efficiency. Our subsidiaries also maintain their water quality effluent standards aligned with the Philippine Clean Water Act of 2004, and ensure that it shall pass all requirements set by the Department of Environment and Natural Resources.

Water consumption reached 1,396,838.53 cubic meters in 2020. The significant consumption came from domestic use of water in common area of PHINMA Properties and from industrial use of Union Galvasteel Corporation's operations. In 2019, Union Galvasteel Corporation installed thermal oxidizer designed to capture and combust waste air including VOC's into carbon dioxide and water. The impact will be felt in the coming years with the projected impact of up to 40% reduction in industrial water use.

PHINMA will continue to evaluate our internal business practices to help reduce water consumption. Below are our water conservation measures with significant contribution in water-use reduction.

- Daily monitoring of main water meters to ensure that water usage is normal and regular check-up of pipes, valves and meters for immediately identify and resolve possible leaks or damages.
- PHINMA Education installed of rainwater catchments in its facilities. The water collected are used for watering plants and back-up cistern tank supply for fire protection.
- For UGC, water treatment facility operation is monitored daily to ensure smooth operation. UGC also installed thermal Oxidizer will greatly reduce the water consumption of Color Coating Line by 30-40% due to shutting off of one Water Scrubber.

B. Environmental Impact Management

1. GHG Emissions and Air Quality ^{GRI 305-1}

PHINMA also makes sure that the quality of its air emissions is well-taken care of. Each company have integrated internal business practices on monitoring air emissions and have installed facilities to improve air quality.

We were able to account for Scope 1 direct emissions from raw materials used by Union Galvasteel Corporation such as paints liquified petroleum gas use. We used the emission factors aligned with Intergovernmental Panel on Climate Change standards. For the scope 2 indirect emission, the Department of Energy has set an emission factor based on local energy mix.

Renewable energy resources were also tapped as different subsidiaries have installed solar roofing technology to augment their needs for reliable and clean energy. Sequestered GHG emissions from these practices have been monitored. In the future, our Company intends to strengthen our monitoring mechanisms to be able to include direct emissions coming from fuel combustion of our generators and transportation vehicles.

In the future, our Company intends to strengthen our monitoring mechanisms to be able to include direct emissions coming from fuel combustion of our generators and transportation vehicles. The following are the best practices and measures done by each subsidiary to minimize emissions and the ensure that air quality are within standards.

- Philcement installed dust-collection systems to ensure the health and safety of our local stakeholders and to improve work environment. This also increase efficiency and reduce costs in the operation of the plant.
- UGC installed activated carbon filtration system and water scrubber system in its color coating line, as part of the air pollution control facility. The installed thermal oxidizer for the color coating line reduced the VOC emissions by 88%.
- Emission testing are done on a quarterly basis by DENR-accredited laboratory. Our companies also abide with local and national regulations on air emission/pollution control such as prohibition of burning of waste materials.
- Regular preventive maintenance for generator set at least 4 times a year

2. Waste Management

PHINMA and its subsidiaries ensure that the hazardous waste generated from the operations are handled and disposed properly. Your Company engages a DENR-accredited 3rd party hauler to transport, treat and dispose these wastes. PHINMA strictly complies with the compliance measure set by the government in treating hazardous waste to safeguard employees' health and safety and the environment where we operate.

For non-hazardous waste, your Company partners with DENR-accredited local government garbage collectors who have approved process and facilities. PHINMA also has solid waste management programs in place that are based on the principles of Reduce, Reuse and Recycle. Below are some of the best practices adopted by your Company's collective effort to reduce solid wastes.

- Philcement collects used cement tonner bags and recycles them with the aid of the skilled community group. This provides additional livelihood income for the community as well as support the circular economy initiatives of the company. Philcement also recycled wood pallets into a gazebo, tables and chairs for its office.
- UGC reuses its imported coil packaging and accessories at its production lines, and suppliers of chemical treatments are required to deliver using 20-25kg carboys for re-use and refill purposes.
- PHINMA Education bans the use of single-use plastics and advocates for waste reduction in its campuses.
- Each company follows a strict compliance local government's schedule on waste collection. Materials Recovery Facilities (MRF) have also been built to monitor waste production, segregate of wastes, and recover reusable and recyclable items.
- Internal systems are optimized and electronic processes have been enhanced to encourage paperless transactions.

3. Effluents

PHINMA subsidiaries maintain their water quality effluent standards aligned with the Philippine Clean Water Act of 2004, and ensures that it shall pass all requirements set by the Department of Environment and Natural Resources.

Union Galvasteel Corporation utilizes a water treatment facility to remove solid matter, chemicals and turbidity from waste water generated from our operation. The company have maintained its compliance with all the conditions of the environmental permits given by regulatory agencies. The effluent samples are analyzed by laboratory accredited by the Environmental Management Bureau (EMB).

We are continuously working with the government agencies to ensure compliance. Moving forward, we will strengthen our monitoring mechanism, upgrade our facilities, and further improve our internal business practices.

Environmental Performance Highlights

7 AFFORDABLE AND CLEAN ENERGY 	7.1. Universal access to modern energy 7.2. Increase global percentage of renewable energy	11 SUSTAINABLE CITIES AND COMMUNITIES 	11.1. Safe and affordable housing 11.6. Reduce environmental impact to communities	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	12.4. Responsible management of chemicals and waste 12.5. Substantially reduce waste generation
13 CLIMATE ACTION 	13.2.2. GHG Emissions	14 LIFE BELOW WATER 	14.2. Protect and restore marine ecosystem	15 LIFE ON LAND 	15.2. Restore degraded forests

Energy GRI 302-1

Energy Consumption	12,600,949 kWh
Renewable Resources <i>(Scope: PHINMA Education, UGC)</i>	619,069 kWh
Energy from LPG <i>(Scope: UGC)</i>	296,694 kWh

GHG Emissions GRI 305-1 to 2

Direct (Scope 1) <i>(Scope: UGC covering industrial use of LPG and VOCs from paints)</i>	973 MtCO ₂ e
Energy Indirect (Scope 2)	8,974 MtCO ₂ e
GHG Reduction	4,554 MtCO ₂ e
Direct Reduction	843 MtCO ₂ e
Indirect GHG Reduction <i>(from PHINMA Solar energy production)</i>	3,750 MtCO ₂ e

PHINMA Solar Energy Corporation Contribution

Total Installed Capacity 4.676 MW	Total Production 4,945,015.85 kWh
Installed Capacity for PHINMA Subsidiaries 779.21 kW	Total hectares of land saved by utilizing rooftops for energy around 4.5 hectares of land
	Equivalent Trees Planted 224,201 trees

Waste Management GRI 306-1

Solid Waste Generated	1,957 tons
Solid Waste Reused/Recycled/Composted	463 tons <i>(24% of total generated)</i>
Hazardous Waste Generated	73 tons
Hazardous Waste Transported	62 tons <i>(remaining are stored properly)</i>

Trees Planted GRI 304-2
9750 trees in 7 areas

Cement Tonner Bags recycled by Philcement
7505 tonner bags

Water Consumption GRI 303-5

Total Water Consumption	1,396,838.53 m ³
PHINMA Properties	1,135,599 m ³
UGC	183,195 m ³

Air Quality (Average)

	UGC	Philcement
NOx <i>(limit: 200 µg/NCm)</i>	7.71 µg/NCm	2.22 µg/NCm
SOx <i>(limit: 50 µg/NCm)</i>	10.46 µg/NCm	8.32 µg/NCm
TSP <i>(limit: 230 µg/NCm)</i>	N/A	73.3 µg/NCm

Making Lives Better for PROGRESS

We recognize that our stakeholders want to understand management's strategies to appropriately allocate financial resource, to manage demand and consumption, to continuously provide reliable and quality products and services in the future, and to provide them with necessary information to assess economic performance.

A. Integrity and Good Governance

Integrity and good governance are integral to PHINMA's way of doing business. We are committed to uphold the law and we endeavor to conduct our business in an ethical manner. Employees are expected to always act in the best interest of the Company. The policy prohibits employees from using his official position to secure a contract of employment for a related party, to solicit gifts or any property for personal gain from any individual or organization that deals with the Company and to use Company information for personal gain. The Company also prohibits the practice of bribery in any form that would tend to corrupt others for the interests of the business. Here are some of the initiatives done in 2020 to promote integrity and good governance within our workplace.

- Integrity Assurance Program. This program strengthens PHINMA's ethical practices by reinforcing policies within the organization. It ensures that all employees uphold the value of integrity and follow PHINMA's Code of Business Conduct to prevent fraud, conflict of interests and other forms of corruption in Company.
- PHINMA Values Summit: Continuing to Make Lives Better in Times of Crisis. This week-long online event promoted PHINMA Core Values of Integrity, Professionalism and Patriotism and highlighted how PHINMA Integrity Assurance Program foster best practices in the business community amidst the pandemic.
- Vendor Integrity Program. This program aims at raising compliance standards and create awareness among all vendors about the Integrity Assurance Program and the Code of Business Conduct. It sets out to guide employees and vendors in creating an ethical and sustainable business partnership with the organization.
- Data Privacy Awareness and Learning Sessions. This series of learning sessions aims to cascade Company guidelines and policies, as well as promote best practices, to improve data protection within the company.

B. Economic Value Distribution GRI 201-1

Making lives better by creating shared value is an important part of our strategy. PHINMA strives to contribute to nation-building through our diversified products and services in education, construction materials, shelter and hospitality. Your Company aims to enhance our business competitiveness while promoting inclusive and empowering growth for our stakeholders and promoting responsible and sustainable business practices for the environment and society. In 2020, PHINMA Corporation has generated a direct economic value of Php 12,207,204,000, distributing 98% or Php 11,956,792,000 for our stakeholders and communities, while retaining Php 250,232,000 to promote future growth.

Economic Performance Highlights

	8.1. Sustainable economic growth		16.5. Reduce corruption and bribery
	8.5. Full employment and decent work		16.6. Develop effective, accountable and transparent institutions

Economic Value Distribution

	(in thousands)
Economic Value Generated	Php 12,207,024
Economic Value Distributed	Php 11,956,792
Operating Costs	9,323,740
Employee Wages and Benefits	1,531,247
Dividends given to stockholders and interest payment to loan providers	800,843
Taxes given to government	291,410
Investment to community*	9,552
Economic Value Retained	Php 250,232

**Additional investment to community amounting to Php 36,485,631.86 was spent in 2020 as part of the PHINMA Reaches Out COVID-19 Response of your Company (See page 11 for the complete information). The amount shall be reflected in the next sustainability report cycle due to difference in the financial calendar of PHINMA Foundation, Inc.*

GRI Content Index In Accordance - Core Option

		Page	Omission
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures 2016			
Organizational Profile			
GRI 102-1	Name of the organization	AR p.1	PHINMA Corporation
GRI 102-2	Activities, brands, products, and services	AR p.16-26	
GRI 102-3	Location of headquarters		12F PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1200
GRI 102-4	Location of operations	AR p.3	Philippines
GRI 102-5	Ownership and legal form	AR p.30	PHINMA Corp. is registered with the Philippine Securities and Exchange Commission. As of December 31, 2020, PHINMA Corp. is 68.28% owned by PHINMA, Inc., directors and officers.
GRI 102-6	Markets served	AR p.3	
GRI 102-7	Scale of the organization	AR p.16-26	
GRI 102-8	Information on employees and other workers	p.12	
GRI 102-11	Precautionary Principle or approach	AR p.31	
GRI 102-12	External initiatives		ASEAN Corporate Governance Scorecard
GRI 102-13	Membership of associations		Philippine Stock Exchange
Strategy			
GRI 102-14	Statement from senior decision-maker	AR p.4-13	
Ethics and integrity			
GRI 102-16	Values, principles, standards, and norms of behavior	p.18, AR p.35	
Governance			
GRI 102-18	Governance Structure	AR p.36-47	
Stakeholder engagement			
GRI 102-40	List of stakeholder groups	p.5-6	
GRI 102-42	Identifying and selecting stakeholders	p.5-6	
GRI 102-43	Approach to stakeholder engagement	p.5-6	
GRI 102-44	Key topics and concerns raised	p.6	
Reporting practice			
GRI 102-45	Entities included in the consolidated financial statements	p.2	
GRI 102-46	Defining report content and topic Boundaries	p.2	
GRI 102-47	List of material topics	p.6	
GRI 102-48	Restatements of information		This is the 2nd Sustainability Report of PHINMA Corp.
GRI 102-49	Changes in reporting		This is the 2nd Sustainability Report of PHINMA Corp.
GRI 102-50	Reporting period	p.2	January 2020 to December 2020
GRI 102-51	Date of most recent report		This is the 2nd Sustainability Report of PHINMA Corp.
GRI 102-52	Reporting cycle		Annual
GRI 102-53	Contact point for questions regarding the report		Jed M. Africa Sustainability Manager, PHINMA Corp.
GRI 102-54	Claims of reporting in accordance with the GRI Standards		This report is in accordance with GRI Standards: Core Option
GRI 102-55	GRI content index	p.20	
GRI 102-56	External Assurance		This report has not been externally assured.

<i>Material Topics</i>			<i>Page</i>	<i>Omission</i>
Economic Performance				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	p.18	
GRI 201: Economic Performance 2016	GRI 201-1	Direct economic value generated and distributed	p.19	
Compliance				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	p.18	
GRI 205: Anti-corruption 2016	GRI 205-1	Operations assessed for risks related to corruption	AR p.35	
GRI 206: Anti-competitive Behavior	GRI 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No reported incident of non-compliance
GRI 307: Environmental Compliance 2016	GRI 307-1	Non-compliance with environmental laws and regulations	p.13-16	
Energy				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	p.13	
GRI 302: Energy 2016	GRI 302-1	Energy consumption within the organization	p.17	
Water				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	p.14	
GRI 303: Water and Effluents 2018	GRI 304-5	Water discharge	p.16	
	GRI 303-5	Water consumption	p.17	
Biodiversity				
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	GRI 304-2	Significant impacts of activities, products, and services on biodiversity	p.14-16	
	GRI 304-3	Habitats protected or restored	p.17	
Emissions				
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GRI 305: Emissions 2016	GRI 305-1	Direct (Scope 1) GHG Emissions	p.17	
	GRI 305-2	Direct (Scope 2) GHG Emissions	p.17	
Waste Management				
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GRI 306: Waste	GRI 306-1	Waste generation and significant waste-related impact	p.17	
	GRI 306-2	Management of significant waste-related impact	p.17	

Labor Practices & Employee Relations				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	p.8-10	
GRI 401: Employment 2016	GRI 401-1	New employee hires and employee turnover	p.12	
GRI 402: Labor/Management Relations 2016	GRI 402-1	Minimum notice periods regarding operational changes	p.10	
GRI 403: Occupational Health & Safety 2018	GRI 403-1	Occupational health and safety management system	p.8-9	
	GRI 403-2	Hazard identification, risk assessment, and incident investigation	p.8	
	GRI 403-3	Occupational health services	p.8-9	
	GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	p.8-9	
	GRI 403-9	Work-related injuries	p.12	
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GRI 404: Training & Education 2016	GRI 404-1	Average hours of training per year per employee	p.12	
	GRI 404-2	Programs for upgrading employee skills and transition assistance programs	p.8, 12	
GRI 405: Diversity & Equal Opportunities 2016	GRI 405-1	Diversity of governance bodies and employees	p.12	
GRI 406: Non-discrimination 2016	GRI 406-1	Incidence of discrimination and corrective actions taken	p.12	
GRI 407: Freedom of Association & Collective Bargaining 2016	GRI 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p.12	
GRI 408: Child Labor 2016	GRI 408-1	Operations and suppliers at significant risk for incidents of child labor		No reported incident of non-compliance
GRI 409: Forced or Compulsory Labor 2016	GRI 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		No reported incident of non-compliance
GRI 411: Rights of Indigenous Peoples 2016	GRI 411-1	Incidents of violations involving rights of indigenous peoples		No reported incident of non-compliance
Community Development				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	p.10-11	
	GRI 103-2	The management approach and its components	p.10-11	
GRI 413: Local Communities 2016	GRI 413-1	Operations with local community engagement, impact assessments, and development programs	p.10-11	
GRI 414: Supplier Social Assessment 2016	GRI 414-1	New suppliers that were screened using social criteria	p.10-11	
Socioeconomic Compliance				
GRI 103: Management Approach 2016	GRI 103-1	Explanation of the material topic and its Boundaries	p.8,10	
GRI 419: Socioeconomic Compliance 2016	GRI 419 -1	Non-compliance with laws and regulations in the social and economic area	p.12	No reported incident of non-compliance

