

PHINMA

Making Lives Better

2021 Sustainability Report

About this Report

This Sustainability Report presents the sustainability performance of PHINMA Corporation (PHINMA) measuring our material issues under the triple bottom line of economic, social and environmental impacts in its areas of operation.

The report covers the Company's operation for the calendar period January 1 to December 31, 2021 and was prepared in accordance with the Global Reporting Initiative (GRI Standards: Core option). This is the Company's 3rd Sustainability Report.

A copy of this Report may be downloaded at <https://phinma.com.ph/annual-report>. Inquiries and concerns related to this report may be sent to the following:

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Message to Stakeholders

Dear Shareholders,

During the last two years of the COVID-19 pandemic, the PHINMA Group has become even more determined to pursue its mission of making lives better. The company has successfully achieved major milestones operating from a 3-tier bottom line perspective benefitting People, Planet, and Profit. We have expanded the scale and depth of our investments so that each measured step makes a huge difference to people with the most urgent needs.

Despite the prolonged impact of the pandemic, your Company successfully achieved major milestones, including the acquisition of its tenth tertiary education institution, its first bond issuance in over 25 years, and vaccine rollout for employees and their dependents. Based on the proven resiliency and innovative strategies of its business units, we believe PHINMA Corporation has established a strong base for sustained growth.

In 2021, your Company posted consolidated revenues of ₱16.04 billion and consolidated net income of ₱1.87 billion. This represents a 259-percent growth in bottom line on the back of strategic business units that continued to achieve strong results amid a challenging business environment.

Our Education Group, led by PHINMA Education Holdings, Inc., significantly exceeded its pre-pandemic performance owing to record-breaking enrollment for SY 2021-2022. Our Construction Materials Group, comprised of Union Galvasteel Corporation, Philcement Corporation, and Phinma Solar Energy Corporation, posted higher revenues and nearly maintained its bottom line through strategic partnerships, operational efficiencies, and margin optimization initiatives. PHINMA Property Holdings Corporation achieved growth by capitalizing on a shift in demand trends driven by the pandemic. Meanwhile, our two hotels in the Mall of Asia complex, operating under Coral Way City Hotel Corporation, sustained occupancy and positive cash generation through quarantine bookings.

2021 Highlights

PHINMA Education holds the group's investment in tertiary education schools in the Philippines and Southeast Asia. PHINMA Education was able to grow its network to nine schools in the Philippines through its acquisition of PHINMA Union College of Laguna (PHINMA UCL) last May 2021 in line with its plans to strengthen its offerings in Laguna. PHINMA Education also continues to manage Horizon Karawang in Indonesia and formally launched the Horizon Education brand to the public in December 2021.

Despite the worsening learning crisis in the country with face-to-face classes still suspended, PHINMA Education successfully hit record-breaking enrollment in SY 2021-2022 and welcomed 95,503 students. This marked a 33% growth in enrollment from the previous school year and is a testament to PHINMA Education's successful implementation of distance learning systems starting in 2020.

Leveraging on learnings from the previous year, PHINMA Education continued to respond to challenges in creative and proactive ways with the goal of maintaining the quality and accessibility of its offerings. Apart from enrollment, PHINMA Education achieved higher-than-expected results in key indicators like student retention and employment. PHINMA Education also continued to produce strong student-based outcomes in SY 2020-2021, including a board passing rate of 78 percent for first-time takers as well as 10 additional board exam topnotchers.

The remarkable growth achieved by PHINMA Education in 2021 has resulted in consolidated revenues of ₱3.69 billion, a 76-percent increase year-on-year. An additional contributor to this was the delayed recognition of some revenues from SY 2020-2021. Consolidated net income, on the other hand, rose to ₱1.02 billion.

Our Construction Materials Group consists of Union Galvasteel Corporation, Philcement Corporation, and Phinma Solar Energy Corporation, which boost our nation's infrastructure and construction sectors by supplying galvanized iron and steel building products, cement, and solar rooftop generation solutions. In 2021, demand for construction materials was buoyed by a recovery in construction activities. However,

our Construction Materials Group faced a new set of challenges during the year which were primarily driven by global supply chain disruptions. In response to these challenges, the group focused on leveraging its competitive advantages and optimizing its margins. Union Galvasteel Corporation (UGC) saw an improvement in performance in 2021 despite obstacles brought about by an industry slowdown, material availability constraints, and higher input costs. UGC responded to these by capitalizing on its market leadership through margin optimization initiatives, including selling price increases, and cost efficiencies realized in logistics and manufacturing. We are also proud to share that in response to the devastation caused by Typhoon Odette last December, UGC was able to utilize its wide distribution network to continue to ensure the stable supply of roofing products in key locations across the country. Additionally, all roofing sheets were made available at pre-typhoon prices without sacrificing product quality.

On the back of the recovery of domestic construction activities, Philcement Corporation (Philcement) successfully was operating near capacity in 2021. This strengthened its resilience against a substantial increase in its costs due to global supply chain disruptions. In order to manage these cost increases and improve margins, Philcement began to manufacture its own blended cement. Philcement also leveraged its strategic relationship with the Vissai Group and implemented logistics optimization strategies to manage the impact of increasing freight costs on its margins. In May, 2021, your Company closed on its strategic investment in Song Lam Cement Joint Stock Company, which will assure Philcement of a steady supply of quality cement to support expanding infrastructure development projects.

Moreover, PHINMA Solar Energy Corporation (PHINMA Solar) successfully shifted its business model to capture more pandemic-resilient industries, including residential and retail markets as well as small to medium commercial projects. PHINMA Solar also ramped up its sales effort and leveraged synergies with UGC in the areas of sales and logistics. As a result, the company achieved profitability for the first time in 2021. Together, the Construction Materials Group achieved

a 20-percent growth in topline and booked ₱12.14 billion in consolidated revenues in 2021. Meanwhile, despite severe cost pressures faced in 2021, the Construction Materials Group attained ₱902.08 million in consolidated net income, demonstrating the group's resilient strategies and ability to quickly and innovatively respond to challenges.

PHINMA Property Holdings Corporation (PHINMA Properties) is the group's property arm which seeks to make lives better through creating sustainable communities for middle-income Filipino families. In 2021, PHINMA Properties showed an improvement in performance owing primarily to higher sales amidst delays in new project launches because of the pandemic. The company successfully sold out residences at Arezzo Place, Pasig and Hacienda Balai, Quezon City, and ended the year with a cumulative total of 16,264 residential units sold. Moreover, at our hospitality business, your two hotels under Coral Way City Hotel Corporation have managed to sustain occupancy despite the pandemic's impact on travel and tourism by serving as accredited quarantine facilities for returning Filipinos. Your Company correspondingly recognized higher net earnings from associates amounting to ₱28.61 million in 2021. Apart from the milestones achieved by its strategic business units, 2021 also marked your Company's first public bond issuance in more than 25 years, which was well-received by the market and was more than 9 times oversubscribed. The ₱3.00 billion raised through this issuance has been deployed to support growth and enhance operational efficiencies across our strategic business units. The bond issuance is part of your Company's overall value building plan and will be the first of many capital market transactions to come for the PHINMA Group. PHINMA Corporation's strong business performance has allowed it to maintain a healthy balance sheet in 2021 with total assets of ₱30.08 billion, and a current ratio and debt-to-equity ratio of 1.71 : 1.00 and 2.03 : 1.00, respectively.

Finally, in celebration of the key milestones achieved by your Company in 2021, we are happy to report that the Board has declared a regular cash dividend of ₱0.40 per share, along with a special cash dividend of ₱0.10 per share, which are both payable on 6 April 2022.

2022 Outlook

With improving COVID-19 vaccination rates and decreasing cases, we look forward to further domestic economic reopening and recovery in 2022. Among its various priorities, we believe the government continues to view infrastructure development as vital in driving post-pandemic recovery. Moreover, with the Philippines being one of the few countries that kept its educational institutions closed throughout the pandemic, the transition back to face-to-face classes is a welcome development that would aid the deepening learning crisis faced by our country. As the nation continues to recover, we look forward to seeing growth trickle down to other sectors that faced hampered demand due to the pandemic, especially property and hospitality.

PHINMA Education is eager to continue its expansion in order to capture more of its underserved market. PHINMA Education looks for schools that are situated in growing urban communities where it can offer its brand of accessible quality education to underserved youth. Apart from this, it has been working on increasing capacity in its existing schools in light of growing enrollment and looks forward to pursuing expansion in other Southeast Asian countries. PHINMA Education also looks at its alternative learning systems as a fundamental change in the way they do education and as additional channels to reach students that do not have physical access to its schools.

Our Construction Materials Group continues to gear up for further growth in anticipation of the expected strong recovery of the construction sector. The group is focused on enhancing efficiency and expanding the production of higher-margin product lines. Meanwhile, PHINMA Solar is well-positioned to grow by leveraging the global push for clean energy and net zero carbon emission targets with the help of its parent, UGC.

PHINMA Properties experienced delays in the launches of its new projects because of the pandemic. However, for 2022, PHINMA Properties is set to launch new horizontal projects situated in emerging cities outside central business districts in order to capture shift in demand trends driven by the pandemic. These include Phinma Maayo San Jose (Batangas) and Phinma Maayo Tugbok (Davao). The company has also been evaluating its expansion into mixed-use developments, such as townships, in emerging regions. Moreover, while the hotel industry is expected to continue to face challenges, we remain optimistic in the gradual recovery of international and domestic travel.

The strong growth the Company has achieved in the past three years has truly been driven by its strategic business units, which have, without exception, risen to the occasion. Driven and inspired by PHINMA's mission of making lives better for families and communities, these units have continued to strategically adapt and successfully hit major milestones amid the pandemic. Looking forward, PHINMA Corporation is eager to pursue its long-term plan focused on returning value to its shareholders. This includes robust succession planning and talent development initiatives aimed towards priming your Company for further growth.

A BUSINESS IMPERATIVE

To do good while doing well — that is the call of our times. Every organization, especially the private sector, must be involved in this collective action of nation-building. Gone are the days of mere profit generation and corporate competitiveness. Businesses are now called to provide products and services with the prime motive of creating and uplifting social well-being.

Making lives better for everyone is not just a company mission. It is a business imperative. The PHINMA Group has always been serious about this. We believe that we are all part of building the post-pandemic future and we have the capacity to affect change and do better.

Let's all get to work



OSCAR J. HILADO
Chairman of the Board



RAMON R. DEL ROSARIO, JR.
President and Chief Executive Officer

Our Businesses

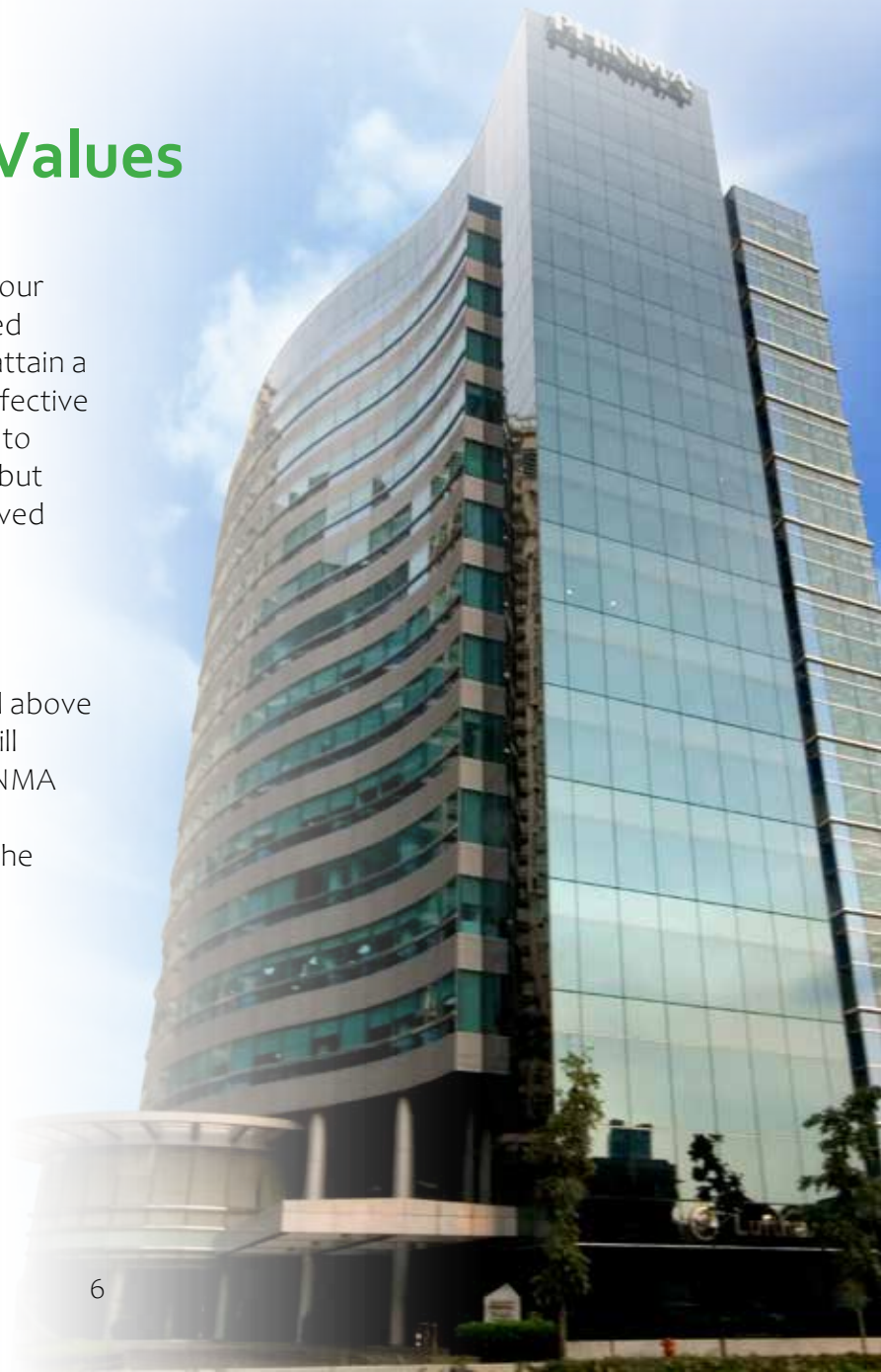
PHINMA Corporation is a public company listed with the Philippine Stock Exchange (PSE) under the trading symbol PHN.

We have outlined the businesses we will focus on: Construction Materials, Education, Housing and Hospitality. These businesses can support a growing and younger demographic in different ways: from the facilities that meet the needs of travelers and home buyers, to quality education within the financial reach of the bottom quintiles.

Vision, Mission and Values

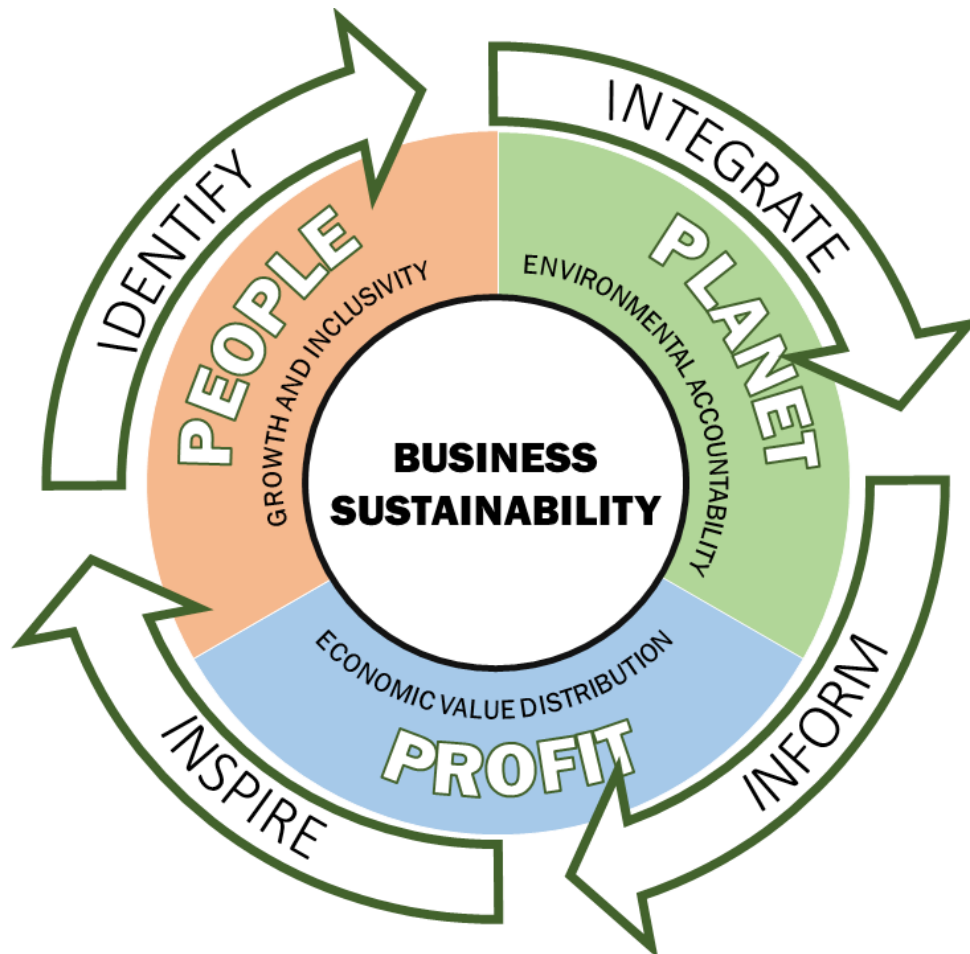
The PHINMA Group's Mission is to help build our Nation through competitive and well managed business enterprises that enable Filipinos to attain a better quality of life. With professional and effective management as our distinctive edge, we aim to give communities, not only in the Philippines but wherever else we might find the need, improved access to the essentials of a dignified life.

In the pursuit of our Mission, we look to our tradition, our experience, our reputation, and above all, our people, as the principal factors that will enable us to achieve our lofty goals. The PHINMA Group will demonstrate that private business can mutually serve the needs of society and the aspirations of shareholders.



Our Sustainability Framework

PHINMA's sustainability strategy is crucial in ensuring that we are able to protect key resource systems and continue providing for future generations. Guided by our triple bottom line commitment to a sustainable future, PHINMA will prosper for generations to come.



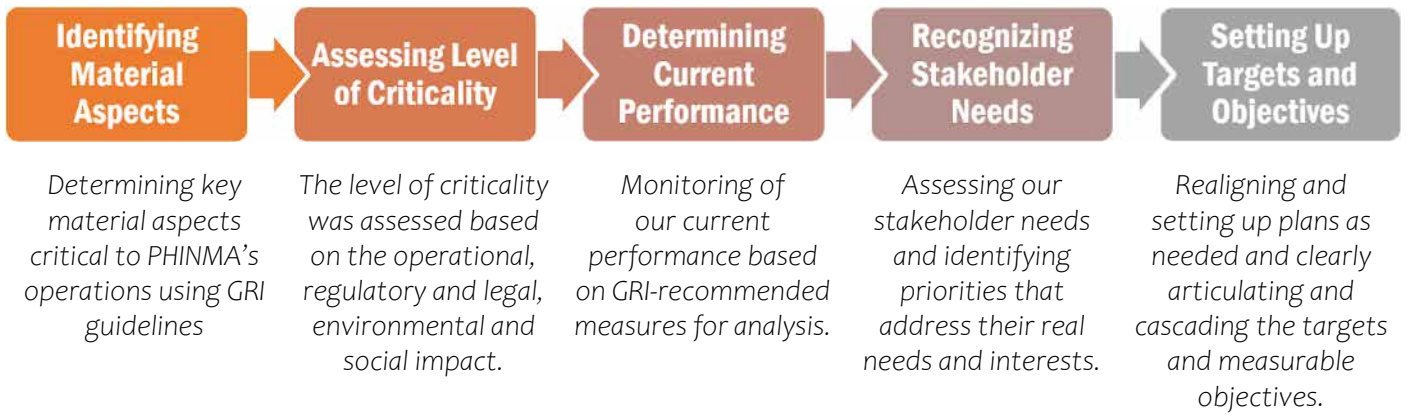
Making Lives Better for our PEOPLE. Our business operations impact our internal stakeholders and adjacent communities, and as a result, we aim to promote inclusive growth to maximize the potential of our people.

Making Lives Better for the PLANET. We are aware of stakeholders' concern of having a strategic plan to minimize the environmental impact of our business operations. With this, we remain steadfast in our accountability to the environment and in creating measures to leave a positive impact in areas where we operate.

Making Lives Better for PROGRESS. We are cognizant that our stakeholders want to understand our strategies in allocating financial resources for sustainable investments, and embedding integrity, empathy and good corporate governance to support the progress of our nation.

Our Materiality

PHINMA Corporation followed specific steps recommended by the GRI to identify topics affecting the economy, society and environment, which are relevant to our business and our stakeholders. To determine these issues, PHINMA conducted a materiality assessment through questionnaires and focus group discussions. The process resulted in the identification of the following topics, which PHINMA Corporation will use in creating a strategic sustainability roadmap, and in establishing ESG targets for both the parent company and our subsidiaries.



The process resulted in identification of the following relevant material topics. PHINMA Corporation will use this in creating a strategic sustainability roadmap and in establishing ESG targets for the PHINMA Group.

ECONOMIC	SOCIAL	ENVIRONMENT
Economic Performance	Employment and Labor Relations	Water
Anti-Corruption	Occupational Health and Safety	Energy
Indirect Economic Performance	Local Communities	Environmental Compliance
Procurement Practices	Training and Education	Materials
	Diversity and Equal Opportunity	Effluents and Waste
	Customer Health and Safety	Biodiversity

Management approach disclosures for our material topics are discussed on pages 9 to 13. Actual sustainability performance and data relevant to ESG are presented on pages 14 to 16.



Our Management Approach

Our mission of Making Lives Better has guided us in providing products and services that are important to nation-building, and delivering long-term value to our stakeholders. Through inclusive growth, we ensure that our strategy is consistent with our core values of integrity, patriotism, competence and professionalism.

PHINMA Corporation is well-positioned for growth through our diverse portfolio as our strategic business units play an important part in creating sustainable economic growth in the country. Here are the management approaches on how we embed sustainability at the core of our business processes.

SOCIAL

Employment and Labor Relations

PHINMA is committed to taking care of our own employees through competitive compensation and benefits, talent development programs and ensuring a deep management bench. The ability to attract and retain talent is essential in maintaining and further improving the performance and service standards that the Company has set for itself. The ability to retain quality employees has a direct impact on operations, and consequently on the bottom line. Among the top drivers of employee retention is the quality of relationship between the Company and its employees.

Occupational Health and Safety

The safety and health of our own employees are a priority of the Company. PHINMA manages the impacts of the company's operation by integrating safety and operational policies for all of its employees. Safety training sessions were done online and on-site, especially in areas where employees have to report physically to the operation site. It is our responsibility to provide a safe and healthy workplace as part of our commitment to our employees PHINMA also ensures that our employees have good medical benefits and access to support.

COVID Response

Employees were on top of mind during the pandemic scenario. Health and safety measures were set in place to make sure that transmission will be prevented and PHINMA made sure that their immediate needs can be addressed through our assistance. The following programs were implemented to mitigate the effects of the pandemic.

- **PHINMAVax.** PHINMA facilitated the immediate rollout of COVID-19 vaccines and boosters to its employees, dependents and other stakeholders.
- **Guidelines for the New Normal.** For employees reporting to the office and operation sites, strict guidelines and protocols were cascaded to ensure safety of our employees. The SafePass monitoring system was installed in PHINMA Plaza and the PPHC Head Office for proper monitoring of entry points. Personal protective equipment was provided to all employees and its mandatory use was enforced.
- **Mental Health.** Mental health has been a priority this year. PHINMA provided mental well-being webinars and provided access to counselling for employees and stakeholders in need. Mental health hotlines were also established for employees to call when needed.
- **Health and Travel Declaration.** Employees are required to provide regular health and travel declarations to monitor their conditions and detect early signs of COVID-19.

Local Communities

Year 2021 still posed the challenge of the pandemic. PHINMA continued its efforts to support the vulnerable and challenged sectors through PHINMA Reaches Out 2021: Tuloy ang Bayanihan. This program helped provide meaningful assistance to the messengers and helpers of PHINMA and its subsidiaries, as well as disadvantaged communities.

PHINMA also responded to the call for emergency response brought by different natural disasters during the year. In 2021, the PHINMA Group was able to donate Php 1,055,000 for the rehabilitation of communities affected by typhoons in Visayas and Mindanao areas. The Construction Materials Group also ensured an adequate supply of construction materials to affected areas without increasing prices. Employee participation was mobilized through the PHINMA HERO Program which provided a venue for volunteerism and life-sharing.

Training and Education

PHINMA believes in developing talents within the organization to deepen our pool of leaders and to prepare the business in anticipation of future growth. Our Company and its subsidiaries focus on the continuous learning program of its employees through leadership and competency-based training. With the Company's commitment to development of employees' potential, measures are continuously undertaken to provide our workforce with training programs and meaningful job interactions.

Diversity and Equal Opportunity

We provide equal opportunities to all stakeholders regardless of gender, cultural background, religion, political affiliation and ethnicity. We value the diversity of our workforce and there is no preferential treatment on wages and benefits.

Customer Health and Safety

PHINMA continues to maintain a safe environment for its community and other stakeholders.

- PHINMA Hospitality implemented strict precautionary measures to prevent the spread of COVID-19. Microtel by Wyndham hotels received Safety Seal certification from the Department of Tourism as proof of its compliance to the public health standards. Our hotels continue to follow the guidelines established by the World Health Organization, Department of Health, Department of Tourism and local government units.
- **Remote and Distance (RAD) Learning.** PHINMA Education implements RAD Learning for students who can not attend school because of public health and safety restrictions as well as due to distance. Through the constant guidance of teachers through regular phone calls, students can continue with the coursework even at home.



ENVIRONMENT

Water

PHINMA ensures that the Company together with our subsidiaries are 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 with its water effluent standards.

In 2021, water consumption was 1,343,150 cubic meters. The significant consumption came from domestic use of water in the common area of PHINMA Properties and from use in operation for UGC's color-coating line.

Each subsidiary also continues to improve their internal business practices to aid reduction in water consumption. Below are our water conservation measures with significant contribution:

- Daily water monitoring, leak detection and repair and systems monitoring to ensure efficient operations of water systems within our operation sites
- Rainwater catchment facility installed in some properties and schools intended for back-up water supply.
- Installation of Recuperative Thermal Oxidizer at UGC Calamba plant, greatly reducing the water consumption of Color Coating Line by up to 40%

Energy

In 2021, the total electricity consumption of PHINMA and its subsidiaries was 16,304,548 Kwh. The consumption is still lower than pre-pandemic numbers due to flexible work policies. There were some limitations in assessing the actual energy use for the operation as PHINMA continued to implement work from home arrangements. This may create a variance in future sustainability reports.

PHINMA aims to promote the efficient use of electricity through its energy conservation programs. PHINMA and its subsidiaries established processes to improve their energy efficiency to contribute to sustainability. Here are some of the program highlights:

- Efficient use of lights in common areas especially during daytime and implementing the use of electronic equipment that are more energy efficient such as inverter-type appliances and LED lights.
- Monitoring of utility consumption and regular preventive maintenance.
- Optimization of the usage of Solar PV systems in several properties of PHINMA Education and UGC



Environmental Compliance

As part of environmental compliance, PHINMA and its subsidiaries abide by the regulations from existing laws such as Clean Water Act of 2004 and Clean Air Act of 1999. Continuous coordination and dialogues with local government agencies such as the Department of Environment and Natural Resources and Laguna Lake Development Authority ensure environmental compliance.

Effluents and Waste

Operation sites of PHINMA are well equipped to handle solid and hazardous wastes generated from the operations. Solid wastes are being collected by local government agencies while hazardous wastes are hauled off-site by DENR-accredited transporters and treaters. A material recovery facility is also being maintained to manage its solid wastes and identify wastes that can still be recycled.

PHINMA 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.

Here are the highlights of the PHINMA operation particularly on the circular economy.

- MRF is utilized for segregating of wastes in all of our properties. For Philcement, all wood pallets were being re-used by production and recycled as shelves for storage. Tonner bags as packaging materials were also recycled and reused.
- While distance learning is still in effect, the PHINMA schools still continued their advocacy against the use of single-use plastics. The school promotes proper solid waste disposal and promotes a zero-plastic policy.

Biodiversity

While environmental programs, particularly our volunteer-driven programs on reforestation, took a pause during the pandemic, we believe that our biggest contribution in ensuring that the protection of biodiversity within our areas of operation is through the responsible operation of our business. We continue to assess risk operations critical to the environment and create proper measures to improve our environmental performance. PHINMA will look to continue our environment programs and explore new opportunities to contribute to biodiversity protection.



ECONOMIC

Economic Performance

PHINMA contributes to nation-building through our diversified portfolio in education, construction materials, housing and hospitality. In 2021, PHINMA Corporation generated a direct economic value of ₱16,155,294,000 distributing 92% or ₱14,886,348,000 to our stakeholders and communities, while retaining ₱1,268,946,000 to promote future growth.

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 conduct our business in an ethical manner.

Launched in 2014, the PHINMA Group's Integrity Assurance Program institutionalizes the adoption of policies, programs and practices that foster and sustain an ethical business environment, and affirm PHINMA's steadfast commitment to integrity by going beyond compliance to regulatory requirements and adopting best practices on transparency, good governance and ethical business practices.

Indirect Economic Impact

Through our business portfolio, PHINMA is committed to invest in infrastructure and services that will trickle down to our local communities through local hiring and spending on local suppliers and service providers.

Aside from our core business operations, PHINMA also has advocacies in place to uplift the economic status of our immediate stakeholders. All graduates of the PHINMA National Scholarship program of PHINMA Foundation have passed their relevant professional board examination. During the pandemic, the Kabuhayanihan program, a livelihood support program for our messengers, also helped augment their family's income.




Procurement Practices

Our Vendor integrity Program aims at raising compliance standards and creating 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.



OUR SUSTAINABILITY HIGHLIGHTS

Environment Performance

	SDG Target	Our Contribution
	Universal access to modern energy Increase global percentage of renewable energy	Total installed capacity by PHINMA Solar: 2,122 MWp Energy generated from renewable energy: 6,572,848.67 kWh
	Safe and affordable housing Reduce environmental impact to communities	Cumulative Residential units sold by PPHC: 16,624 Donation for rehabilitation of communities affected by typhoons in Visayas and Mindanao areas: Php 1,055,000
	GHG Emissions	Total GHG reduction from our Solar facilities: 3,421.93 MTCO ₂ Equivalent Trees Planted: 13,411 trees

Water GRI 302

Total Water Consumption	1,343,150 cu. meter
Total volume of water discharges	1,108,470 cu. meter

Energy GRI 301




Total Energy Consumption	16,304,548 Kwh
Total Energy Used from Renewable Resources	781,783 Kwh
Total Energy Used from Fuels	339,419 Liters
Renewable Energy Generated	6,572,848.67 kWh

Effluents and Waste

Solid Waste Generated	4,312.6 MT
Solid Waste Reused/Recycled	2,437.7 MT
Hazardous Waste Generated	50.4 MT
Hazardous Waste Transported	41.9 MT
Hazardous Waste Stored	8.5 MT

OUR SUSTAINABILITY HIGHLIGHTS

Social Performance

	SDG Target	Our Contribution
	Literacy and numeracy	Number of students served for SY 2020-21: 95,503 students No of scholars supported by the PHINMA Foundation: 186
	Proportion of seats held by women	Percentage of female managers and officers in PHINMA Corporation: 73%
	Safe and secure working environments	COVID Vaccination Rate: 98.78% (as of January 2022) Safety training done: 40 online trainings and safety drills

Employee Data ^{GRI 401-1}

Total Number of Employees	3,719
Male	1,790
Female	1,929

Benefits Provided

- SSS	- Vacation leaves	- Retirement fund
- PhilHealth	- Sick leaves	- Telecommuting
- Pagibig	- Emergency/Calamity leaves	- Flexible working hours
- Parental leaves (maternity, paternity, solo parent)	- Medical benefits	- Rice, laundry and clothing allowance

Occupational Health and Safety ^{GRI 403-9 to 10}

Work-related injuries	45
Work-related fatalities	0
Work-related ill-health	23
Safety drills and trainings done	40

Diversity and Equal Opportunity ^{GRI 405-1}

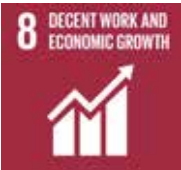

Employee Gender Rate	48% male, 52% female
Gender Ratio of Managers and Officers	56% male, 43% female
Reported Incidents of Discrimination	0

Training and Empowerment ^{GRI 404-1}

Accounted Training Hours	21,758.5 hours
<p>Training Highlights</p> <p>Capability-building Programs</p> <ul style="list-style-type: none"> - Critical problem solving and decision-making - Goal-setting - Customer service training - Employee development talks - Skills training specific to job function - Data privacy trainings - IT security trainings - Social media ethics 	<p>Integrity Programs</p> <ul style="list-style-type: none"> - PHINMA Core Values - Integrity workshops <p>Culture of Safety</p> <ul style="list-style-type: none"> - Safety orientations - BOSH training - COVID-19 protocols - First-aid training - Mental health and resilience

OUR SUSTAINABILITY HIGHLIGHTS

Economic Performance

	SDG Target	Our Contribution
	Full employment and decent work	Direct Jobs Generated: 3,719
	Sustainable economic growth	Economic Value Distribution: 92% Economic Value Retention: 8%
	Reduce corruption and bribery	Incidents of Corruption: 0
	Develop effective, accountable and transparent institutions	Anti-competitive behavior, antitrust, and monopoly practices: 0

Economic Value Generated	16,155,294
Economic Value Distributed	14,886,348
Operating Costs	11,573,172
Employee Wages and Benefits	2,086,726
Dividends given to stockholders and interest payment to loan providers	837,296
Taxes given to government	372,971
Investment to community	16,183
Economic Value Retained	1,268,946

**amounts in thousands*

Our Commitment to Sustainability

PHINMA is deeply aware that every aspect of our operations creates ripples and becomes a part of a shared global environment.

We affirm that our people are our greatest asset and that they are fundamental in ensuring the sustainability of our Company. We take pride in the passion, innovation and commitment to our core values of our employees, and we will continue to provide opportunities for growth and career development while ensuring their safety and well-being. PHINMA will also continue to look into promoting inclusive growth for our partners through our business and our corporate social responsibility programs, as the nation recovers from the effects of the COVID-19 pandemic.

PHINMA and its subsidiaries have also established programs and protocols to reduce the impact of the operations of its businesses on the environment.

Your Company will continue to pursue new avenues to go beyond compliance and advance circular economy business solutions as well.

Moreover, PHINMA understands that our sustainability strategy is crucial in ensuring that we are able to protect key resource systems and continue providing for future generations.

PHINMA upholds its commitment to build the nation through its businesses while remaining steadfast in finding new solutions to improve its sustainability practices for its people, for the planet and for economic development. The Sustainability Report also serves as a motivation to explore new opportunities, and to move forward in improving our policies and internal business practices as we continue to make lives better.

Annex

Table 1. Social Indicators per Subsidiary

Company	PHINMA Inc./ Corp.	CMG			PEHI	PPHC	Hospitality
		PCC	UGC	Solar			
Employee Data							
Total Number of Employees	80	115	789	10	2,432	231	62
Male	22	97	558	7	1,008	75	23
Female	58	18	231	3	1,424	156	39
Occupational Health and Safety							
Work-related injuries	0	0	45	0	0	0	0
Work-related fatalities	0	0	0	0	0	0	0
Work-related ill-health	2	0	4	0	0	1	16
Safety drills and trainings	3	16	3	4	5	1	8
Diversity and Equal Opportunity							
Employee Gender Ratio - male	28%	84%	71%	70%	41%	32%	37%
- female	72%	16%	29%	30%	59%	68%	36%
Gender Ratio - male	41%	86%	78%	57%	46%	48%	50%
Managers / Officers - female	59%	14%	22%	43%	54%	52%	50%
Incidents of Discrimination	0	0	0	0	0	0	0
Training and Empowerment							
Accounted Training Hours	102	2,674.5	17,539.5	248		3,116	700

Table 2. Environmental Indicators per Subsidiary

Company	PHINMA Inc./ Corp.	CMG		PEHI	PPHC	Hospitality
		PCC	UGC			
Water						
Total Water Consumption (in cubic meter)	2,196	2,540	92,317	24,995	1,185,140	35,962
Total volume of water discharges	-	-	91,237	1,734	1,014,774	726
Energy						
Total Energy Consumption (in Kwh)	4,228,930	5,814,760	1,836,691	4,228,930	1,210,821	2,815,266
Total Energy Used from Renewable resources	-	-	467,401	314,382	-	-
Total Energy Used from Fuels (Liter)	3198	-	315,581	574	740	19,325
Effluents and Waste						
Solid Waste Generated (MT)	2.6	5.2	79.6	30.8	4,185.0	9.4
Solid Waste Reused/Recycled	-	97.9	11.6	17.8	2,305.6	4.7
Hazardous Waste Generated	0.03	.6	41.5	.6	.47	7.8
Hazardous Waste Transported	-	0	40.9	.6	.36	-
Hazardous Waste Stored	0.03	.6	-	-	-	7.8

GRI Context Index (In Accordance – Core Option)

	Page	Omission
GRI 101: Foundation 2016	p.1	
GRI 102: General Disclosures 2016		
	ORGANIZATIONAL PROFILE	
102-1	Name of the organization	PHINMA Corporation
102-2	Activities, brands, products and services	AR p. 14-33
102-3	Location of headquarters	12F PHINMA Plaza, 39 Plaza Drive, Rockwell Center, Makati City 1200
102-4	Location of operations	AR p. 3
102-5	Ownership and legal form	PHINMA Corp. is registered with the Philippine Securities and Exchange Commission. As of December 31, 2021, PHINMA Corp. is 75.31% owned by PHINMA, Inc., directors and officers.
102-6	Markets served	AR p. 3
102-7	Scale of the organization	AR p. 3
102-8	Information on employees and other workers	p. 15
102-9	Supply chain	AR p. 15-33
102-10	Significant changes to the organization and its supply chain	AR p. 15-33
102-11	Precautionary Principle or approach	p. 7-8
102-12	External initiatives	ASEAN Corporate Governance Scorecard
102-13	Membership of associations	Philippine Stock Exchange
	STRATEGY	
102-14	Statement from senior decision-maker	p. 3-5
	ETHICS AND INTEGRITY	
102-16	Values, principles, standards, and norms of behavior	AR p. 53
	GOVERNANCE	
102-18	Governance structure	AR p. 48-52, 54-81
	STAKEHOLDER ENGAGEMENT	
102-40	List of stakeholder groups	AR p.3, 43-46
102-41	Collective bargaining agreements	p.15
102-42	Identifying and selecting stakeholders	p.8
102-43	Approach to stakeholder engagement	p.8
102-44	Key topics and concerns raised	p.8
	REPORTING PRACTICE	
102-45	Entities included in the consolidated financial statements	AR p. 82
102-46	Defining report content and topic boundaries	p. 1
102-47	List of material topics	p. 8
102-48	Restatements of information	This is the 3rd Sustainability Report of PHINMA Corp.
102-49	Changes in reporting	There were no changes in the reporting framework from Sustainability Report 2020
102-50	Reporting period	January 2021 to December 2021
102-51	Date of most recent report	April 2021
102-52	Reporting cycle	Annual

102-53	Contact point for questions regarding the report		PHINMA Investors Relations investorrelations@phinma.com.ph (+632) 8 870 0100
102-54	Claims of reporting in accordance with the GRI Standards	p.1	This report is in accordance with GRI Standards: Core Option
102-55	GRI content index	p.18-24	
102-56	External assurance		This report has not been externally assured

ECONOMIC DISCLOSURES

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 13	
	103-3	Evaluation of the management approach	p. 13	
GRI 201: Economic Performance	201-1	Direct economic value generated and distributed	p. 16	
	201-3	Defined benefit plan obligations and other retirement plans	p. 16	
	201-4	Financial assistance received from government		None in 2021
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 13	
	103-3	Evaluation of the management approach	p. 13	
GRI 203: Indirect Economic Impact	203-1	Infrastructure investments and services supported	p.13, AR p. 43-46	
	203-2	Significant indirect economic impacts	p. 13, AR p. 43-46	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 13	
	103-3	Evaluation of the management approach	p. 13	
GRI 205: Anti-Corruption	205-1	Operations assessed for risks related to corruption	AR p. 53	
	205-2	Communication and training about anti-corruption policies and procedures	AR p. 53	
	205-3	Confirmed incidents of corruption and actions taken	AR p. 53	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 13	
	103-3	Evaluation of the management approach	p. 13	
GRI 206: Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		No substantiated incidents of anti-competitive behavior, anti-trust, and monopoly practices.

ENVIRONMENTAL DISCLOSURES

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 11-12	
	103-3	Evaluation of the management approach	p. 11-12	
GRI 301: Materials	301-2	Recycled input materials used	p. 14	
	301-3	Reclaimed products and their packaging materials	p. 12	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 11-12	
	103-3	Evaluation of the management approach	p. 11-12	
GRI 302: Energy	302-1	Energy consumption within the organization	p. 14	
	302-2	Energy consumption outside of the organization	p. 14	
	302-4	Reduction of energy consumption	p. 11	
	302-5	Reductions in energy requirements of products and services	p. 11	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 11-12	
	103-3	Evaluation of the management approach	p. 11-12	
GRI 303: Water and Effluents	303-1	Interactions with water as a shared resource	p. 11	
	303-2	Management of water discharge-related impacts	p. 11	
	303-4	Water discharge	p. 11	
	303-5	Water consumption	p. 14	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 11-12	
	103-3	Evaluation of the management approach	p. 11-12	
GRI 304: Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Operation sites are outside high biodiversity and critically-protected areas.
	304-2	Significant impacts of activities, products, and services on biodiversity	p. 12	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations		No national conservation and IUCN red list species affected by operations

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 11-12	
	103-3	Evaluation of the management approach	p. 11-12	
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions		~1,045.14 MTCO ₂ (accounted from fuel and LPG used in machine operations and generator sets)
	305-2	Energy indirect (Scope 2) GHG emissions		~11,612.09 MTCO ₂
	305-3	Other indirect (Scope 3) GHG emissions		Not monitored during the reporting period.
	305-5	Reduction of GHG emissions	p. 11	Direct GHG Reduction: 1,114.54 MTCO ₂ Indirect GHG Reduction: 3,421.93 MTCO ₂
	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Air emission results done by DENR-accredited laboratories are way below Philippine Clean Air Act of 1999 limits and pose insignificant risks
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 11-12	
	103-3	Evaluation of the management approach	p. 11-12	
GRI 306: Waste	306-1	Waste generation and significant-waste related impact	p. 12, 14	
	306-2	Management of significant waste-related impact	p. 12, 14	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 11-12	
	103-3	Evaluation of the management approach	p. 11-12	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	p. 12	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 11-12	
	103-3	Evaluation of the management approach	p. 11-12	
GRI 308: Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken		No suppliers and service providers within the value chain that pose severe negative environmental impact were engaged.

SOCIAL DISCLOSURES

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	

GRI 401: Employment	401-1	New employee hires and employee turnover	p. 15	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 15	
	401-3	Parental leave	p. 15	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	
GRI 403: Occupational Health and Safety	403-1	Workers' representation in formal joint management-worker health and safety committees	p. 9	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	p. 15	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	
GRI 404: Training and Education	404-1	Average hours of training per year per employee	p. 15	
	404-2	Programs for upgrading employee skills and transition assistance programs	p. 9, 15	
	404-3	Percentage of employees receiving regular performance and career development reviews		All employees are receiving regular performance reviews (mid-year and year-end performance evaluation)
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	p. 15	
	405-2	Ratio of basic salary and remuneration of women to men		Salary is based on competency and performance, irregardless of gender
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	
GRI 406: Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken		No reported incidents of discrimination

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	
GRI 408: Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor		No reported incidents of child-labor
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	
GRI 409: Forced and Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor		No reported incidents of forced or compulsory labor
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	
GRI 411: Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples		No reported violations involving indigenous peoples' right
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	p. 10 AR p. 43-46	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	
GRI 414: Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken		No suppliers and service providers within the value chain were assessed were identified to pose negative social impact.
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	

GRI 416: Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	p. 10	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		No reported incidents of non-compliance.
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		No reported complaints on customer privacy and customer data breach.
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	p. 8	
	103-2	The management approach and its components	p. 9-10	
	103-3	Evaluation of the management approach	p. 9-10	
GRI 419: Socio- economic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area		No reported incidents of non-compliance.