



SHANG

PROPERTIES

NAVIGATING
NEW HORIZONS:
**RESILIENCY
AND GROWTH**

—
SUSTAINABILITY
REPORT SUMMARY
2022

ANNEX A

Materiality Process

Shang Properties, Inc. (SPI) has compiled its 2022 sustainability performance report, adhering to the guidelines set forth by the Philippines Securities and Exchange Commission (SEC) Memorandum Circular No. 4, Series of 2019 and utilizing the GRI standards where applicable. SPI's materiality assessment process has remained consistent over the past four years, serving as the foundation for its priorities.

During this reporting period, the team reviewed the material topics and sustainability framework to ensure they meet the business requirements.

Material topics are identified based on activities that are critical to the operations of Shang Properties, Inc. as a Holding Company operating different businesses.

Identified topics are assessed and prioritized based on our interpretation of what is important to our stakeholders and to the Company.

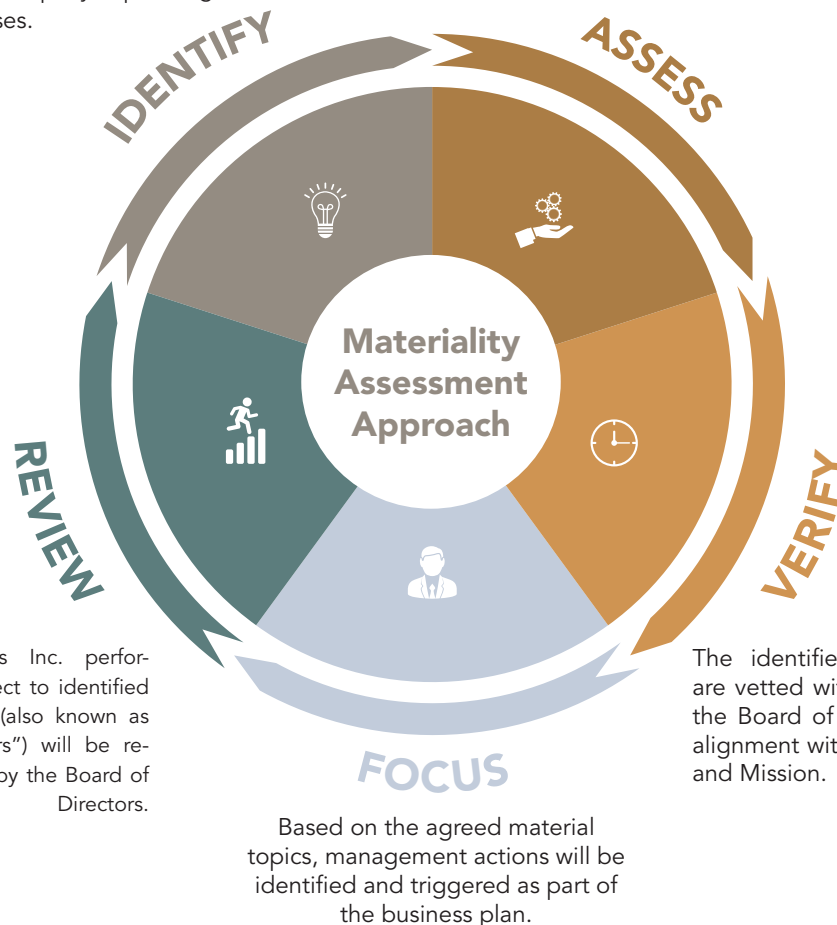


Figure 1 Materiality Assessment Approach

Sustainability Framework

Staying consistent with the approach for materiality assessment, the core drivers that form the Company's sustainability framework is reflected below. Employee Welfare and Responsible Business areas have come to the fore as evident in the reporting, keeping up with the current times of working in a post-pandemic era.

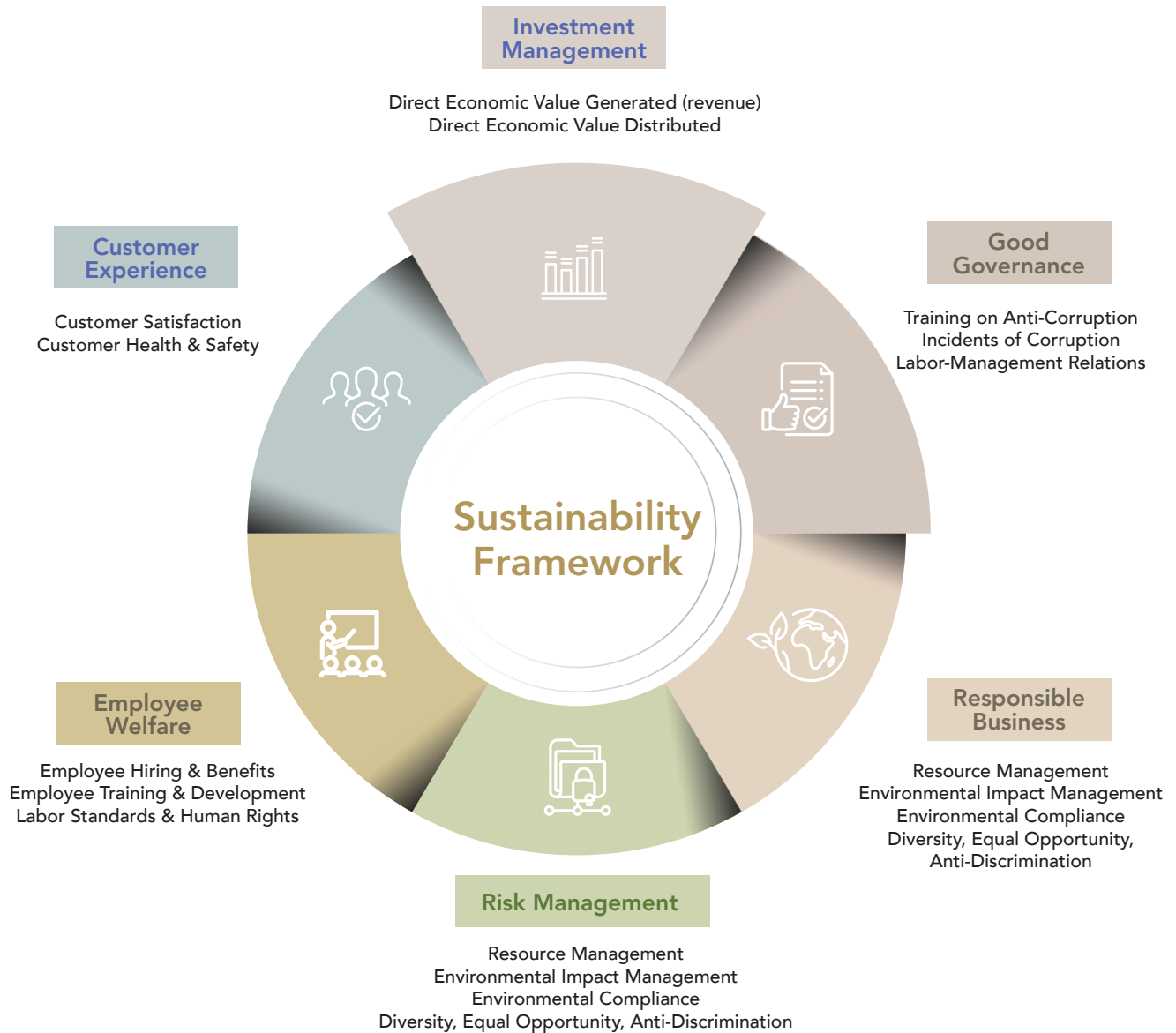


Figure 2 SPI Core Drivers

STAKEHOLDER ENGAGEMENT

At SPI, we recognize the importance of engaging with our key stakeholders to ensure their needs are met and to build strong relationships. To that end, the company has identified its key stakeholders and established viable modes of engagement with them. The table below presents an overview of the key stakeholders and how we engage with them.

STAKEHOLDER	MEANS OF ENGAGEMENT	ASPECTS
Stockholders and Investors	Annual Stockholders Meeting Corporate Disclosure Corporate Website	Financial Performance and Cash Flows Business Outlook Resolutions of Business Concerns ESG Performance
Employees	Training and development programs Email blasts and bulletins Annual performance appraisals Online portals / Social Media Company activity and Events	Skills inventory development General company updates Performance review and improvement Job opportunities Employee activities and socialization Health and well being
Customers and Guests	Customer satisfaction surveys Telephones hotlines Social Media	Customer Feedback / areas for improvement General Information Events, Customer complaints
Residents and Tenants	Email blasts Memorandums Meetings Evacuation drills	Promotions Maintenance and Service Interruption, Escalations, Property Updates Exploratory, Pre-Construction, Egress Fire life and safety Residents/Tenants complaints Other operational issues
Suppliers and Contractors	Emails One on one meetings Group meetings/discussions Telephone / mobile phones Site inspections	Cost proposal Warranties Duration of project Scope/Deliverables Payment for services rendered
Government and Regulators	Emails Site inspections Correspondences Telephone / mobile phones	Coordination of requirements Compliance to regulations Continuous communication and coordination of schedules Payment of taxes and applicable fees

INVESTMENT MANAGEMENT

Direct Economic Value Generated & Distributed

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Direct Economic Value Generated (Revenue)	PHP	4,975,849,039.62	10,833,823,837.50
Direct Economic Value Distributed:			
a. Operating Costs	PHP	2,839,145,483.59	3,743,630,237.50
b. Employee Wages and Benefits	PHP	278,096,848.53	678,126,824.00
c. Payments to Suppliers, Other Operating Costs	PHP	260,728,892.30	1,867,827,901.59
d. Dividends given to Stockholders and Interest Payments to Loan Providers	PHP	1,670,720,544.98	1,543,106,959.00
e. Taxes given to Government	PHP	151,153,258.77	412,799,411.64
f. Investments to Community (e.g. Donations, CSR)	PHP	128,253,014.30	171,449,802.00

GOOD GOVERNANCE

Training on Anti-Corruption Policies & Procedures

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Percentage of employees to whom the organization's anti – corruption policies and procedures have been communicated to	%	100	100
Percentage of business partners to whom the organization's anti – corruption policies and procedures have been communicated to	%	100	100
Percentage of directors and management that have received anti – corruption training	%	50	50
Percentage of employees that have received anti – corruption training	%	50	50

Incidents of Corruption

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Number of incidents in which directors were removed or disciplined for corruption	#	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	#	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	#	0	0

LABOR-MANAGEMENT RELATIONS

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
% of Employees Covered with Collective Bargaining Agreements	%	N/A	N/A
Number of Consultations Conducted with Employees Concerning Employee – Related Policies	#	6	7

RESPONSIBLE BUSINESS

Resource Management

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Renewable Resources	GJ	0	0
Gasoline	GJ	249.80	459.15
LPG	GJ	12,998.06	21,238.16
Diesel	GJ	11,910.32	23,332.81
Electricity	kWh	79,736,507.00	96,858,937.00

Energy Consumption within the Organization

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Materials Used by Weight/Volume			
Renewable	kg	287,731	291,320
Non-Renewable	kg	15,382,070.78	16,381,251.38
Percentage of Recycled Input Materials Used to Manufacture the Organization's Primary Products and Services	%	0	0

WATER & EFFLUENTS

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Water Consumption	m ³	*1,245,265.16	1,327,863.16
Water Recycled and Reused	m ³	*116,254.00	136,921.80
Total Volume of Water Discharges	m ³	789,430.20	618,683.60
Percent of Wastewater Recycled	%	*9.34%	10.31

*Restatement of 2021 data: Water Consumption - 1,245,265.16 m³; Water Recycled and Reused - 116,254.00 m³; Percent of Wastewater Recycled – 9.34%
 Instead of previously reported: Water Consumption - 1,166,734.16 m³; Water Recycled and Reused - 181,886.00 m³; Percent of Wastewater Recycled – 7 %
 The restatement was made following the review and correction of data provided from the previous year

AIR EMISSIONS

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Direct (Scope 1) GHG Emissions	Tonnes CO ₂ e	1,616.87	2,916.92
Indirect (Scope 2) GHG Emissions	Tonnes CO ₂ e	50,393.47	61,214.85

*Restatement of 2020 data: Direct (Scope 1) GHG Emissions – 1,616.87 Tonnes CO₂e
 Instead of previously reported: Direct (Scope 1) GHG Emissions – 616.57 Tonnes CO₂e
 The restatement was made following the review and correction of data provided from the previous year

SOLID AND HAZARDOUS WASTE

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Total Solid Waste Generated	kg	3,282,062.59	3,743,894
Reusable	kg	0	0
Recyclable	kg	384,883.64	502,902.70
Composted	kg	7,769.00	11,4899
Incinerated	kg	-	0
Residuals / Landfilled	kg	2,893,111.32	2,926,043.82
Total Weight of Hazardous Waste Generated	kg	12,958.50	33,892
Total Weight of Hazardous Waste Transported	kg	7,012.50	17,188

ENVIRONMENTAL COMPLIANCE

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Total Amount of Monetary Fines for Non – Compliance with Environmental Laws and / or Regulations	PHP	0	0
No. of Non – Monetary Sanctions for Non – Compliance with Environmental Laws and / or Regulations	#	0	0
No. of Cases Resolved through Dispute Resolution Mechanism	#	0	0

ENVIRONMENTAL COMPLIANCE

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
% of Female Workers in the Workforce	%	47.05	46.50
% Male Workers in the Workforce	%	52.95	53.50
Number of Employees from Indigenous Communities and/ or Vulnerable Sector	#	28	26

RISK MANAGEMENT

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Safe Man-Hours	Man-Hours	579,103	916
No. of Work – Related Injuries	#	9	4
No. of Work – Related Fatalities	#	-	0
No. of Work – Related Ill-Health	#	8	6
No. of Safety Drills	#	254	274

SUPPLY CHAIN MANAGEMENT

TOPIC	Reference in Company Policy	Y/N	
		2021	2022
Environmental Performance	Section 5.11.2.3 of DP-SPI-PROC 1.8 Vendor Accreditation Procedure Section 5 of Supplier Code of Conduct	Y	Y
Forced Labor	Section 5.11.2.3 of DP-SPI-PROC 1.8 Vendor Accreditation Procedure Section 5 of Supplier Code of Conduct	Y	Y
Child Labor	Section 5.11.2.3 of DP-SPI-PROC 1.8 Vendor Accreditation Procedure Section 5 of Supplier Code of Conduct	Y	Y
Human Rights	Section 5.11.2.3 of DP-SPI-PROC 1.8 Vendor Accreditation Procedure Section 5 of Supplier Code of Conduct	Y	Y
Bribery and Corruption	Section 5.11.2.3 of DP-SPI-PROC 1.8 Vendor Accreditation Procedure Section 5 of Supplier Code of Conduct	Y	Y

CUSTOMER PRIVACY AND DATA SECURITY

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
No. of Substantiated Complaints on Customer Privacy	#	1	0
No. of Complaints Addressed	#	1	0
No. of Customers, Users, and Account Holders whose Information is Used for Secondary Purposes	#	0	0

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
No. of Data Breaches, including Leaks, Thefts, and Losses of Data	#	0	0

EMPLOYEE WELFARE

Employee Hiring & Benefits

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Total Number of Employees	#	916	985
a. Number of Female Employees	#	485	458
b. Number of Male Employees	#	485	527
Attrition Rate	Rate	3%	4.2%
Ratio of Lowest Paid Employee Against Minimum Wage	Ratio	1:1.29	1:1.42

Percentage of Employees Availing the Benefits

DISCLOSURE	Y/N		Female	Male
	2020	2021		
SSS	Y	Y	19%	13%
PhilHealth	Y	Y	13%	11%
PAG - IBIG	Y	Y	17%	14%
Parental Leaves	Y	Y	2%	1%
Vacation Leaves	Y	Y	52%	50%
Sick Leaves	Y	Y	49%	46%
Medical Benefits (Aside from PhilHealth)	Y	Y	19%	19%
Retirement Fund (Aside from SSS)	Y	Y	2%	2%
Flexible – Working Hours	Y	Y	9%	9%

Employee Training and Development

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
Total Training Hours Provided to Employees			
a. Female Employee	#	8,548	8,851
b. Male Employee	#	12,124	12,753
Average Training Hours Provided to Employees			
a. Female Employees	Hrs/Employee	*19.83	19.33
a. Male Employees	Hrs/Employee	*25.00	24.20

Labor Standards and Human Rights

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
No. of Legal Actions or Employees Grievance involving Forced or Child Labor	#	0	0

TOPIC	Y/N		Reference in Company Policy
	2021	2022	
Forced Labor	Y	Y	Code of Business Conduct and Ethics
Child Labor	Y	Y	Code of Business Conduct and Ethics
Human Rights	Y	Y	Code of Business Conduct and Ethics

CUSTOMER EXPERIENCE

Customer Satisfaction

DISCLOSURE	UNITS	SCORE	
		2021	2022
Customer Satisfaction Score	%	89.83%	85.48%

Customer Health & Safety

DISCLOSURE	UNIT	QUANTITY	
		2021	2022
No. of Substantiated Complaints on Product or Service Health and Safety	#	2,827	3,434
No. of Complaints Addressed	#	2,827	3,434

United Nations Sustainable Development Goals

Shang Properties Inc. (SPI), with the intention to further develop its contributions to UN SDG, is dedicated to optimize its operations, strategies and management approach related to economic, environmental and social aspects affecting its stakeholders and the community. For 2022, SPI identified contributions to six (6) SDGs and their summary is articulated below for easy reference.

ECONOMIC

P67M

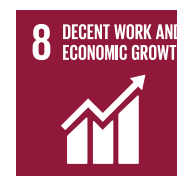
Taxes paid

P3M

Investments to community

985

Total no. of organic employees



Material Topic/Disclosure: Economic Performance

SPI, as a significant player in the Philippine property market and a leading employer in the hospitality industry, actively contributes to nation-building by creating job opportunities, generating tax revenues for the government, supporting suppliers, making regular community investments through donations and corporate social responsibility initiatives.

ENVIRONMENT

503 kg

Waste Recycled

100%

Environmental Compliance

10.31%

Wastewater Recycled



Material Topic/Disclosure: Resource Management, Environmental Impact Management and Environmental Compliance

Energy, water, and materials are fundamental resources used in SPI's property development projects. Given the criticality of natural resource depletion at both local and global levels, SPI implements proactive measures, such as conservation programs and waste reduction initiatives, to ensure efficient management of resources.

SOCIAL

546,109

Safe man-hours

46%

Female workers in the workforce

26

No. of employees from indigenous communities and vulnerable sector

0

Work-related fatalities

0 Employee

Grievance on Forced or Child Labor

274

No. of Safety drills



Material Topic/Disclosure: Employee Management, Workplace Conditions, Labor Standards and Human Rights

SPI acknowledges its responsibility to provide a safe and healthy environment for all stakeholders while strictly complying with applicable labor laws and regulations set by the Department of Labor and Employment (DOLE) and other relevant government entities. The company also supports diversity and equal opportunity by fostering an inclusive workplace that values and respects individuals regardless of their gender, ethnicity, background, sexual orientation, or beliefs.