

SUSTAINABILITY REPORT for 2019

Company Information	
Name of Organization	Pryce Corporation (“PC or the “Company”)
Location of Headquarters	17/F Pryce Center Bldg., 1179 Don Chino Roces Ave., Makati City
Location of Operations	Mindanao on real estate business; Nationwide on LPG and Industrial Gas businesses
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	Pryce Corporation (PC) - Parent Company Pryce Gases, Inc. (PGI) - Subsidiary
Business Model, including Primary Activities, Brands, Products, and Services	Principal Business: PGI – sale of LPG (cooking gas) to household consumers under the “PRYCEGAS” brand. PC – development of memorial parks and sale of memorial lots thereof, under the “PRYCE GARDENS” brand; this business accounts for less than 1% of
Reporting Period	Period ended December 31, 2019
Highest Ranking Person responsible for this report	Jose Ma. C. Ordenes Treasurer; Corporate Information and Compliance Officer; SVP

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ABOUT THIS REPORT

Pryce Corporation's sustainability report is essentially about how the Company's business growth is sustainable with minimal impact made to the environment while taking into consideration its responsibilities to its stakeholders, employees, and the local communities where it operates. The scope of this report, the standard(s) used in preparing this report, and the Company's nominal classification of its business are discussed in the immediate sections below. This report is a work in progress as it was prepared under circumstantial limitations posed by the government-imposed Enhanced Community Quarantine (ECQ) that began in mid-March of 2020. This ECQ was later changed to General Community Quarantine (GCQ). Still, however, people's mobility and transportation were controlled by LGU's strictures and safety measures against the COVID-19, especially so in the National Capital Region (NCR) where the company conducts its operations among other regions. This is understandable since the NCR is the most densely populated region in the country where COVID-19 cases are most prevalent.

The focus of this report is on the principal business of the Pryce group, which is the importation, distribution, and sale of LPG (cooking gas). This LPG business is handled by Pryce Gases, Inc. (PGI), a subsidiary of the parent company Pryce Corporation (PC). PGI's LPG business accounts for more than 90% of the consolidated revenues of the group. The other business of PGI is the sale of industrial gases, which normally accounts for less than 5% of total revenues.

MATERIALITY BASIS

There is a wide range of topics on which to report. However, only relevant topics merit inclusion in the report, which means those that can be reasonably considered important for reflecting the Company's economic, environmental, and social impacts, or influencing the decisions of stakeholders. Impact is the effect the Company brings to the economy, the environment, and/or society (positive or negative). A topic may be relevant based on only one of these considerations. In sustainability reporting, "Materiality is the principle that determines which relevant topics are sufficiently important that it is essential to report on them." Topics or items that are herein labeled as "not material" do not mean that they are not material or important to the Company but that for

purposes of this report, not all topics are of equal importance, and the emphasis within this report is expected to reflect their relative priority.

INDUSTRY CLASSIFICATION

Based on the SASB Classification System, LPG and Memorial Park Businesses belong to the “Gas Utilities and Distributors” and “Real Estate” respectively, which are classified under the category “Infrastructure”. However, the Philippine Stock Exchange (PSE) classified the Company’s stocks under “Chemicals” which is for purposes of listing the company’s stock in the stock exchange. Hence, the company’s sustainability report 2020 shall adhere to the “Infrastructure” classification found in the SASB System, as per SEC guidelines.

INTRODUCTION:

Corporate Background and its subsidiaries

Pryce Corporation (or “PC” or “the Company”), formerly Pryce Properties Corporation, was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on Sept 7, 1989, with SEC Registration No. 168063. Its head office is located at the 17th floor, Pryce Center Bldg., 1179 Don Chino Roces, Makati City. PC was established basically as a property holding and real estate development company. The Company’s shares are traded in the Philippine Stock Exchange (PSE). It has a market capitalization of Php 8,099,969,303 based on the last trading price of Php 4.10 per share in May 2020 and outstanding shares of 1,975,602,269. PC, as parent company, is focused on the development of memorial parks and sale of memorial lots and concentrates its operations in Mindanao. In the past, it has developed upscale residential and commercial properties; it was previously engaged in the hotel business (Pryce Plaza) which was closed in December 2016. The Company currently owns and operates thirteen (13) memorial parks in Mindanao’s major and secondary cities namely: Cagayan de Oro City (CDO); Iligan City; Ozamis City; Polanco (near Dipolog City); Zamboanga City; Davao City; including the smaller memorial parks in: Manolo Fortich (actually at the boundary of CDO and Bukidnon); Malaybalay City in Bukidnon; Malita in Davao Occidental; Bislig in Surigao del Sur; Alabel in Sarangani, Pagadian City; and the most

recent in Butuan City which was launched in January 2019. The memorial park business accounts for about 1% of total revenues.

Pryce Gases, Inc. (PGI) is PC’s subsidiary, which is engaged in the importation and distribution of Liquefied Petroleum Gas (LPG) under the brand name PRYCEGAS. It also produces and sells industrial gases (mainly oxygen and acetylene). PC’s ownership in PGI is 91%. PGI has a wholly-owned subsidiary, Oro Oxygen Corporation (OOC) that operates in Luzon and National Capital Region (NCR). It sells and distributes PGI’s LPG product (PRYCEGAS) and sells industrial gases that is sourced independently from PGI.

As had been mentioned above, the main source of the Company’s income is from the sales of LPG products. It accounts for more than 90% of aggregate revenues. Said LPG products consist of LPG (as content or cooking gas), cylinders, LPG gensets, and gas stoves. The other business of PGI is the sale of industrial gases (mainly oxygen and acetylene), which covers less than 5% of consolidated revenues.

Another Subsidiary of PC is Pryce Pharmaceuticals, Inc (PPhI), a wholesaler and distributor of private branded multi-vitamins and some “over the counter” generic drugs. It was organized to primarily take advantage of the “Generic-Medicines Law”. PPhI is a relatively small player in the pharmaceutical business as it was organized in September 2005. PPhI accounts for less than 1% of consolidated revenues.

ECONOMIC

ECONOMIC PERFORMANCE

Direct economic Value Generated and Distributed

Disclosure	Quantity
Direct economic value generated (total revenues)	PhP 10,630,299,264
Direct economic value distributed:	
a. Operating costs	PhP 1,085,014,497
b. Employee wages and benefits	Php 380,220,755
c. Payments to local suppliers & some operating costs	Php 289,273,467
d. Dividends given to stockholders and interest payments to loan providers (for 2019, net of tax)	Php 474,942,754
e. Taxes given to government (for 2019)	Php 438,191,322

f. Investments to community (e.g. donations, CSR)	(complete data not available yet)
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What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Primary business operation, which is the LPG business.	Customers, Employees, Shareholders, Suppliers	The Company's view is always strategic and long term. It is committed to always identifying means and opportunities for growing the business and to solidify its position in the market in a profitable and sustainable way.
What are the risks/s Identified	Which stakeholders are affected?	Management approach
Customers' may change its cooking habits or opt for other fuels or sources of energy	Employees, Shareholders, Suppliers	The Company does not see any change in customers' cooking habits with respect to the use of LPG within at least the next decade. However, it continually assesses and/ or identifies developments in the horizon that will affect use/s of LPG.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Identify areas of alternative & viable uses of LPG as an energy source and possibly partner with investors	Customers, Employees, Shareholders, Suppliers	There are opportunities for investment in low-carbon energy such as LPG, which will be much greater in the emerging economies like the Philippines. Demand for LPG is seen to

for this purpose		increase in energy in the future, especially since the country still has a low LPG consumption per capita in relation to its ASEAN neighbors.
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Business Growth

Over more than a decade, PGI has consistently grown its LPG sales volume from 29,000 metric tons in 2007 to 220,193 metric tons in 2019. And it will continue do so more in the coming years given the following: enormous opportunity for growth in the LPG market (explained below); the country’s strong macro-economic fundamentals; growing population; and the country’s economic momentum on the back of annual GDP growth of 6.4% [2016-2019]. The effect of the COVID-19 is a temporary setback. The nation’s entrepreneurs and workforce are only too eager to take on the challenges of a post-ECQ environment.

Based on the latest data from the Department of Energy, PGI’s nationwide market share of 3% in 2007 more than trebled to 11% by 2019. This accomplishment was the result of: aggressive sales efforts; establishment of infrastructure network of marine-import terminals, refilling plants and sales centers, which made the LPG products more accessible and closer to household consumers; and took maximum advantage of the nature of the LPG product whereby customers become virtually tied to an LPG brand.

PGI has a complete integrated infrastructure covering the entire process from importation of LPG up to its distribution, including wholesale and retail sales. The aggregate LPG storage capacity of PGI, as of March 31, 2020, in terms of its sea-fed or marine terminals and inland refilling plants is 34,082 MT which covers the whole country as shown below.

Type	Region / Location	No.	Capacity (MT)
LPG Marine Terminal	Luzon	1	8,500
	Visayas	4	12,790
	Mindanao	3	9,550
Sub-total:		8	30,840
LPG Refilling Plant	Luzon	39	1,911
	Visayas	14	530
	Mindanao	18	801

Sub-total:		71	3,242
Total:		79	34,082

Climate-related risks and opportunities

Governance	Strategy	Risk Management	Metrics & Targets
The Company has a sound and pro-active view on climate-related issues pertaining to LPG.	Identify and assess, on a long- and mid- term basis, climate-related risks and opportunities and enable the company to respond to key uncertainties, including government policies around the world on climate change	Many of the company's marine terminals and inland refilling plants are of earth-mounded construction, which serves as mitigation not only against climate-related events but also against fire hazards. All of PGI's import terminals and refilling plants are covered with the appropriate insurance contracts.	[Metrics and targets currently under evaluation and study]

Procurement Practices

(see also the topic on Supply Chain Management)

Disclosure	Quantity
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	Less than 5%

The bulk of the cost of goods sold is accounted for by LPG, the Company's principal product, which is imported.

What is the impact and where does it occur? What	Which stakeholders are	Management approach

is the organization's involvement in the impact?	affected?	
Impact to local suppliers is not significant/material.	Local suppliers	-
What are the risks/s Identified	Which stakeholders are affected?	Management approach
Not material	Local suppliers	-
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Provide business to local suppliers within any area or region the Company operates	Local suppliers	Management makes every effort to provide business to local suppliers within any area or region the Company operates.

ANTI-CORRUPTION:

Training on Anti-corruption Policies and Procedures

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
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<p>The Company adopted an Anti-Corruption Policy which is found under the Code of Conduct and Business Ethics of the Company Handbook. To aid in its anti-corruption campaign, the Company also implements a “whistle blower” policy. This urges its employees to report and/or provide information on any misconduct, infraction or offenses made, by its officers and employees and members of the company’s Board that are illegal, immoral, unethical and detrimental to the interests of the company.</p>	<p>Employees, product dealers, suppliers, customers, shareholders</p>	<p>Management continues to identify and assess areas to prevent corruption not only through punitive measures but also through inspiring and incentivizing manner.</p>
<p>What are the risks/s Identified</p>	<p>Which stakeholders are affected?</p>	<p>Management approach</p>
<p>At the very least, the Company’s image will suffer (particularly employees, product dealers, suppliers) if it is seen that corruption, however small, is tolerated.</p>	<p>Employees, product dealers, suppliers, customers, shareholders</p>	<p>Management regularly reviews its anti-corruption policy, with revisions made as necessary.</p> <p>The Board and Senior officers set themselves always as an example of integrity and honesty.</p>
<p>What are the Opportunity/ies Identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management approach</p>

Aim at enhancing stakeholders confidence and trust so that the Company and Management is recognized as serious in its anti-corruption policy and practices	Employees, product dealers, suppliers, customers, shareholders	The Company is unswerving in its commitment to further improving its anti-corruption policy and practices, including ethics in corporate governance.
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Incidents of corruption

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

No incidents of corruption in the period under review.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
The Company adopted an Anti-Corruption Policy which is found under the Code of Conduct and Business Ethics of the Company Handbook. To aid in its anti-corruption campaign, the Company also implements a "whistle blower" policy. This urges its employees to report and/or provide	Employees, product dealers, suppliers, customers, shareholders	Management continues to identify and assess areas to prevent corruption not only through punitive measures but also through inspiring and incentivizing manner.

information on any misconduct, infraction or offenses made, by its officers and employees and members of the company's Board that are illegal, immoral, unethical and detrimental to the interests of the company.		
What are the risks/s Identified	Which stakeholders are affected?	Management approach
The Company will suffer (particularly employees, product dealers, suppliers, customers) if it is seen that corruption, however small, is tolerated.	Employees, product dealers, suppliers, customers, shareholders	The Board and Senior officers set themselves always as an example of integrity and honesty. Management regularly reviews its anti-corruption policy, with revisions made as necessary.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Aim at enhancing stakeholders confidence and trust so that the Company and Management is recognized as being serious in its anti-corruption policy and practices	Employees, product dealers, suppliers, customers, shareholders	The Company is unwavering in its commitment to further improving its anti-corruption policy and practices, including ethics in corporate governance.

ENVIRONMENT

RESOURCE MANAGEMENT

Energy consumption within the organization (LPG operations only)

Disclosure	Quantity
Energy consumption (renewable sources)	None used
Energy consumption (gasoline)	Not material
Energy consumption (LPG)	Nil
Energy consumption (diesel)	Not material
Energy consumption (electricity)	Not material

The combined costs of gasoline and diesel consumption are less than 1% of either total revenues or cost of goods sold or operating expenses. The same can be said of electrical consumption, which is to say that this consumption is not intensive in the Company's LPG operations since the marine terminals and refilling plants are essentially used to store imported LPG -- no production/manufacturing of LPG is involved. Nonetheless, the Company's plant design engineers are only too aware of the importance of reducing energy consumption thru: value engineering, simplified & minimum energy impact designs, and rational selection of equipment & machineries. There is no equipment or machinery in the import terminals and plants that are powered by LPG, except for a select few equipment in certain areas where availability electric power is unstable and/or inadequate.

Reduction of energy consumption (LPG operations only)

Disclosure	Quantity
Energy consumption (renewable sources)	None used
Energy consumption (gasoline)	Not material
Energy consumption (LPG)	Nil
Energy consumption (diesel)	Not material
Energy consumption (electricity)	Not material

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach

Not material		
What are the risks/s Identified	Which stakeholders are affected?	Management approach
Not material		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Not material		

Water consumption within the organization

Disclosure	Quantity
Water withdrawal	See note below
Water consumption	Not material
Water recycled and reused	Not material

Consumption of water in any import terminals and refilling plants is not intensive precisely because these facilities are essentially designed for storing the LPG product – no production or manufacturing of LPG is involved. Collectively, water consumed for regular firefighting drills is not substantial. These facilities use deep-well water sources since water supply from the local water districts do not have adequate water supply and/or water pressure, which is necessary particularly for firefighting means.

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management approach
Not material as discussed above		
What are the risks/s Identified	Which stakeholders are affected?	Management approach

Not material as discussed above		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Not material as discussed above		

Materials used by the organization

Disclosure	Quantity
Materials used by weight or volume	
• renewable	Not material
• non-renewable	Not material
Percentage of recycled input materials used to manufacture the organization’s primary products and services	Not material

The Company does not materially use renewable and non-renewable materials in its business operations.

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management approach
Not material as discussed above		
What are the risks/s Identified	Which stakeholders are affected?	Management approach
Not material as discussed above		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Not material as discussed above		

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

Disclosure	Quantity
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Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None
Habitat protected or restored	None
IUCN Red list species and national conversation list species with habitats in areas affected by operations	None

The Company’s import-marine terminals are located outside protected areas that have very low biodiversity values. Specifically, import marine terminals are situated in areas where there are no coral reefs present. Structures like mooring posts and breasting dolphins, receiving platforms (jetties) and foundations thereof, and submerged pipelines are installed such that no negative impact is caused. These structures may in fact serve as artificial coral reefs where marine life can flourish and become its ecological habitat and sanctuary.

For instance, an updated marine resource assessment conducted in 2019 on the Company’s Ayungon teminal (constructed in 1997) in Negros Oriental states that: *“The construction of the mooring/berthing structures and installation of submarine pipelines twenty-two (22) years ago did not cause adverse impact on the marine organisms dwelling in the area, instead it became their refuge and new found habitat”*.

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management approach
Not material as discussed above		
What are the risks/s Identified	Which stakeholders are affected?	Management approach
Not material as discussed above		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Not material as discussed above		

ENVIRONMENTAL IMPACT MANAGEMENT

Air emissions

GHG

Disclosure	Quantity
Direct (Scope1) GHG Emissions	Not material
Energy Indirect (Scope 2) GHG Emissions	Not material
Emissions of ozone-depleting substances (ODS)	Not material

LPG when released is not a highly impacting greenhouse gas. LPG is a clean burning fuel with very few emissions, which is why it is labeled as good transition fuel or bridging fuel in the long-term transition to a truly sustainable global energy system. No LPG is combusted or burned in all marine terminals or refilling plants except for some equipment in few areas where availability of electric power is unstable and/or inadequate.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Not material as noted above		
What are the risks/s Identified	Which stakeholders are affected?	Management approach
Not material as noted above		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Not material as noted above		

Air pollutants

Disclosure	Quantity
NO _x	Not material
So _x	Not material
Persistent Organic Pollutants (POPs)	Not material

Volatile Organic Compounds (VOCs)	Not material
Hazardous Air Pollutants (HAPs)	Not material
Particulate Matter (PM)	Not material

All terminals and refilling plants essentially function to store and contain the LPG product. (The Company’s safety policies, regulations, and practices ensure that no accidental burning or combustion of LPG product arises in any of the marine terminals or inland refilling plants.) These facilities have storage tanks that serve to receive the LPG for storage and from which same tanks the LPG is withdrawn either for purposes of transferring the product or refilling LPG cylinders. PGI is not engaged in the production or manufacturing of LPG.

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management approach
Not material as discussed above		
What are the risks/s Identified	Which stakeholders are affected?	Management approach
Not material as discussed above		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Not material as discussed above		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity
Total solid waste generated	
Reusable	-
Recyclable	Not material
Composted	-
Incinerated	-
Residuals/Landfilled	-

The Company's LPG storage and refilling operations do not generate solid wastes that are harmful to the environment or community.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Not material as noted above		
What are the risks/s Identified	Which stakeholders are affected?	Management approach
Not material as noted above		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Not material as noted above		

Hazardous Waste

Disclosure	Quantity
Total weight of hazardous waste generated	None
Total weight of hazardous waste transported	None

No hazardous wastes are generated in the business operations of the Company.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Not material as noted above		
What are the risks/s Identified	Which stakeholders are	Management approach

	affected?	
Not material as noted above		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Not material as noted above		

Effluents

Disclosure	Quantity
Total volume of water discharges	None
Percent of wastewater recycled	None

No harmful effluents were discharge to the environment. All plant operations and terminals utilize DENR-compliant sewage treatment plants.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
Not material as noted above		
What are the risks/s Identified	Which stakeholders are affected?	Management approach
Not material as noted above		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Not material as noted above		

ENVIRONMENTAL COMPLIANCE

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	None
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	None
No. of cases resolved through dispute resolution mechanism	None

Pryce Corporation and its subsidiaries are fully compliant having been issued with an Environmental Compliance Certificate (ECC) issued by the Department of Environment and Natural Resources (DENR) for all its Marine Terminals, Refilling Plants, Industrial Gas plants, and Memorial Parks.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management approach
The Company conforms with all government regulations relative to the environment in so far as all business units: LPG business; Industrial Gas; Memorial Parks	Community, shareholders, LGUs	The Company views environmental compliance as an essential facet of the business especially with respect to the LPG business in terms of: choosing a location for an import terminal or refilling plant; plant design & equipment selection; and operational & safety issues.
What are the risks/s Identified	Which stakeholders are affected?	Management approach
May subject the Company to penalties, sanctions, and could even result in stopped operations if violation(s) is grave, wanton or repeated	Community, shareholders, LGUs	Management consistently updates its submissions to the DENR offices for renewal of clearances and permits. It is careful about this matter and takes a proactive stance by anticipating any potential issues

		or problems that may arise.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
It is always to the Company's benefit in seeing to it that all its business units are compliant with environmental rules and regulations.	Community, shareholders, LGUs	Review and assessment of company practices and policies (written or unwritten) are conducted on a periodic basis or as necessary.

SOCIAL

EMPLOYEE MANAGEMENT

Employee Hiring, Benefits:

Employee Data

Disclosure	Quantity
Total number of employees*	3,046
a. Number of female employees	571
b. Number of Male employees	2,475
Attrition rate	3%
Ratio of lowest paid employee against minimum wage	1.05

*Regular employees only (probationary and people provided by service contractors are not included)

Employee Benefits

List of Benefits	Yes/ No	% of Female employees who availed for the year	% of Male employees who availed for the year
SSS	Yes	15%	14%
Philhealth	Yes	5%	8%

Pag-Ibig	Yes	17%	17%
Parental Leaves	No	-	-
Vacation Leaves	Yes	99%	96%
Sick Leaves	Yes	29%	34%
Medical benefits (aside from Philhealth)	Yes	45%	30%
Housing assistance (aside from Pag-Ibig)	No	-	-
Retirement Fund (aside from SSS)	Yes	5%	4%
Further education support	No	-	-
Company stock options	No	-	-
Telecommuting	No	-	-
Flexible working hours	Yes	32%	59%
(others)	No	-	-

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
Motivated employees	Provide quality leadership & management down the line; seek full involvement of the employees so that they contribute to continual improvement of products & services; and make them understand the importance of their contribution and role in the organization
What are the risks/s identified	Management approach
Unmotivated employees	At the outset, the right person must be hired for the right function. Management also does the following: a) require full involvement of employees; b) reemphasizes the goals; c) make goals & objectives clearer to understand; and d) makes employees understand what is expected of them.
What are the Opportunity/ies	Management approach

identified?	
Productive employees; creative & good problem solvers; understands the Company's goals & objectives	Review, assess and improve: hiring processes; employee benefits; methods of communicating goals & objectives to employees; and other relevant considerations (e.g., keeping valued employees)

Employee Training and Development

Disclosure	Quantity
Total training hours provided to employees	
a. Female employees	7,233 hours
b. Male employees	21,410 hours
Average training hours provided to employees	
a. Female employees	30 hours/employee
b. Male employees	219 hours/employees

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
Proficient employees developed through training & practice, but even more valued and important are those who are dedicated to the job and creative in finding ways to solve problems or improve existing ways of doing things.	<p>The Company does the following in developing people to become dedicated to the job and problem solvers and innovative:</p> <ul style="list-style-type: none"> • Make clear to the employees what the Company's objectives are; • Recognition & reward of job well done; • Conduct regular review & assessment meetings, which particularly include challenging existing ideas and practices whether in the company or industry; • Providing opportunities for individual growth; • Mentoring & coaching

What are the risks/s identified	Management approach
Losing valued employees as described above	The Company employs the following in order to retain valuable employees: <ul style="list-style-type: none"> • Key managers are given challenging work-related goals; • Compensation that shares in company's financial performance; • Competitive benefits package; • Recognition & reward of job well done, specially announced during special company events; • Career growth and advancement with enhanced compensation and benefit package
What are the Opportunity/ies identified?	Management approach
Retain valued employees as described above and train & enable them to occupy positions of greater challenge & responsibility.	The Company reviews and re-assesses its current approaches/ policies and identify new ways of further improving the above describe approaches.

Labor Management Relations

Disclosure	Quantity
% of employees covered with collective bargaining Agreements	0
Number of consultations conducted with employees concerning employee-related policies	1 to 2 per month

The employees are not subject to Collective Bargaining Agreement (CBA) since the parent company and its subsidiaries are non-unionized. Consultations are done with employees on matters that affect their welfare and needs.

What is the impact and where does it occur? What	Management approach
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is the organization's involvement in the impact?	
Cooperative working relationship between employees and management	The Company does the following to prevent potential disputes between management and employees: <ul style="list-style-type: none"> • Maintain open lines of communications; • Fairness & equal treatment; • Set clear work-related goals that are achievable with realistic deadlines; • Provide adequate employee benefits (health care benefit, bonuses, bereavement/ burial subsidy, benefits from retirement fund, food, lodging where necessary, government mandated benefits);
What are the risks/s identified	Management approach
Disputes between management and employees which might result in disruption of operations	Same approach as described above. It must be noted though that in the more than 30 years of the Company's existence, no major dispute has ever occurred between management and employees that has caused disruption of operations or services.
What are the Opportunity/ies identified?	Management approach
Address immediately potential sources of conflict with management	Continuous assessment and review of the Company's policy and practices on prevention of disputes

Diversity and Equal Opportunity

Disclosure	Quantity
% of female workers in the workforce	19%
% of male workers in the workforce	81%
Number of employees from indigenous communities and or vulnerable sector*	17 employees

*Vulnerable sector includes solo parent, person with disability (PWD), and elderly

<p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p>	<p>Management approach</p>
<p>Business operations of all units (LPG & industrial gas business, memorial parks, and pharmaceutical business) wherein diverse groups of workers and employees are treated equally, who are aware there are common goals to achieve in the interest of the company that will redound to not only to their benefit but to the other stakeholders alike -- shareholders and customers.</p>	<p>The Company gives equal opportunities for career growth and advancement to all workers and employees irrespective of his/her status in life, gender, religion, amount of education, and age.</p>
<p>What are the risks/s identified</p>	<p>Management approach</p>
<p>Unequal treatment or workplace discrimination</p>	<p>Career growth and advancement is based on merit and the capability to contribute to the Company's objectives and add value to products or services.</p>
<p>What are the Opportunity/ies identified?</p>	<p>Management approach</p>
<p>Recognize each employee's unique contribution and encourage their participation on all matters that affect not only the Company but their welfare and employment as well</p>	<p>Continuous assessment and review of the Company's policy and practices on equality and diversity.</p>

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	Quantity
Safe Man-hours	6,258,677 man-hours
No. of work-related injuries	Not material [1 only, a minor injury]
No. of work related fatalities	0
No. of work related ill-health	Not material [1 only, a minor health issue]
No. of safety drills	At least 230

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
The Company has business units (LPG & industrial gas business, memorial parks, pharmaceutical business) wherein employees are fit to work in a safe-work environment.	Management ensures that policies on employees' welfare, health, and safe work environment are backed by firm implementation of rules and equal treatment.
What are the risks/s identified	Management approach
In the Company's LPG facilities, there is the potential of fire hazard to workers and employees.	The employees are provided the following: continuous training & education on safety practices; safety paraphernalia; further, the facilities they work in contain adequate firefighting devices and equipment, which are compliant with recognized fire safety standards. Strict implementation of safety rules is ensured, which is complemented by punitive and incentivizing measures to ensure enforcement.

What are the Opportunity/ies identified?	Management approach
A secure and safe working environment for motivated employees	Employees are encouraged to engage management in addressing issues affecting their work places with respect to their wellbeing and safety.

Labor Laws and Human Rights (forced or child labor)

Disclosure	Quantity
No. of legal actions or employee grievances involving forced or child labor	none

This topic is not material as the Company values human freedom & dignity and abides by all Philippine laws on labor and is totally against forced or child labor, hence no legal actions or employee grievances involving forced or child labor has ever occurred.

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management approach
Not material as discussed above		
What are the risks/s Identified	Which stakeholders are affected?	Management approach
Not material as discussed above		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management approach
Not material as discussed above		

SUPPLY CHAIN MANAGEMENT (and RELATIONSHIP WITH SUPPLIERS)

The Company does not have a formal accreditation policy. However, on ordinary transactions (routine, small-value or repeat purchases), new suppliers may be included subject to standard mode of canvassing and basic / normal purchasing criteria (e.g., right price, compliance to specifications, capability to deliver on time).

On major transactions of large-volume purchases or large projects, an entrant vendor or contractor is subjected to the following criteria:

- i. Technical capability to deliver or perform based on the specifications in the purchase order or project contract;
- ii. Timely delivery of the volume requirement or completion of the scope of works on time;
- iii. Has the financial resources to deliver on the order or project commitment;
- iv. Has a satisfactory track record with other customers/ clients.

The Company has mutually beneficial relationships with certain suppliers and contractors who are reputable and recognized in the industry. These business relationships have been established over a considerable period that is based on trust -- albeit always on an arms-length basis. This arrangement has the following advantages:

- a) Increased interaction that leads to less incidents or issues of errors or poor performance;
- b) Increased efficiency and communication lead to better understanding of the Company's market, business, and business processes;
- c) Interactive process of continual improvement of both products and services

Sustainability topics below when considering a supplier:

Topic	Yes/ No	
Environmental performance	Yes	The Company is not aware of any supplier's or contractor's violations of laws on environmental protection, forced or child labor, human rights protection, bribery & corruption. A discovered serious violation could mean blacklisting and/or stoppage of purchases or cancellation of contract when lawfully warranted or allowed by contract.
Forced labor	Yes	
Child labor	Yes	
Human rights	Yes	
Bribery & corruption	Yes	

What is the impact and where does it occur? What is the organization's	Management approach
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involvement in the impact?	
<p>The Company’s customers benefits from a stable supply of LPG (cooking gas) nationwide, which is competitively priced.</p>	<p>The Company has a complete integrated infrastructure that covers the entire process from importation of LPG up to its distribution, including wholesale and retail sales. The Company imports LPG from Asian suppliers which transport the same via marine carrier to any schedule-appointed import terminals that are strategically located across Luzon, Visayas, and Mindanao regions. From said terminal, the LPG is transferred to lorries (trucks) that deliver the same to Company-owned refilling plants. Private dealers have their cylinders refilled with LPG at such refilling plants (or marine terminals). LPG (contained in said cylinders) is sold to household consumers through dealers or Company-owned sales centers. This network of marine terminals, refilling plants, sales centers, private dealers and outlets assures the Company’s customers of a stable supply of LPG.</p>
What are the risks/s identified	Management approach
<p>Supply disruption of LPG resulting in inability to meet customers’ demand and satisfy the same; loss in revenue & income.</p>	<p>Contracting of imported supply of LPG at a negotiated price, over a desired period to optimize inventory levels, ensures a safe buffer stock and mitigates against uncertainties of price volatility.</p>
What are the Opportunity/ies identified?	Management approach
<p>Market demand for LPG continues to grow on the back of the country’s low LPG consumption per capita and bolstered by strong household incomes brought about by a continually growing economy over the last decade.</p>	<p>In response to growth in market demand for LPG, the Company not only expanded the storage capacities of its marine terminals and refilling plants in recent years but continues to put up refilling plants and sales centers in various locations in the country thereby making its LPG product much closer and accessible to household consumers.</p>

RELATIONSHIP WITH COMMUNITY

Significant Impacts on Local Communities

Operations with significant impact on local communities	Location	Vulnerable groups	Does the operation have impact on indigenous peoples? (Yes/ No)	Collective or individual rights have been identified that is of particular concern to the community	Mitigating measures (if negative) or enhancement measures (if positive)
LPG operations - the primary business	The Company's LPG business operates nationwide (Luzon, Visayas & Mindanao) in strategic areas so that the LPG (cooking gas) is made accessible to the household consumers	No vulnerable groups are affected negatively	No significant impact on indigenous people since the Company's business units are located in the cities or urbanized locations	<p>The putting up of LPG terminals, plants, or sales centers provides employment to the locality thereby addressing the people's right to livelihood.</p> <p>In certain areas in Visayas or Mindanao where use of charcoal or firewood (that can be harmful to health) exists, the households are provided with the option of clean, safe & convenient use of LPG.</p>	No negative impact, hence no mitigating measures

Certificates	Quantity	Units
FPIC process is still ongoing	-	-
CP secured	-	-

These items are not relevant because Company's LPG businesses are located in the cities or urbanized locations.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
<p>The putting up of LPG terminals, plants, or sales centers in a locality results in providing employment to the residents thereof.</p> <p>In certain areas in Visayas or Mindanao where use of kerosene or charcoal or firewood (that can be harmful to health) exists, the households are provided with the option of clean, safe & convenient use of LPG.</p>	Management is much aware of these positive impacts to a community(ies), while generating revenues for the Company at the same time. This is one reason, among others, that encourages the Company to expand its business.
What are the risks/s identified	Management approach
A community leader or certain residents may oppose/ resist the LPG facility that is to be constructed.	This risk is avoided by observing / studying the locality's zoning ordinance and choosing the appropriate/ viable area for the LPG facility. By experience, this risk is low since people are commonly familiar with LPG as a fuel for cooking and are aware of how to use it safely.
What are the Opportunity/ies identified?	Management approach
Generating revenues and income for the Company	Same as above

CUSTOMER MANAGEMENT

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	-	No

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
Customer satisfaction is an important element to customer retention with respect to LPG products, especially since the Company operates in an industry where competition is stiff.	The sales operations people stay close to their dealers and consumers whether to obtain helpful information (for marketing or sales purposes) and/or address complaints - a key ingredient in knowing and understanding the customers.
What are the risks/s identified	Management approach
Customers could be lost to competition due inconsistency in delivery, product unavailability, unanswered complaints; or the competition offers a better service or product.	Important areas to management in achieving customer satisfaction are: Product availability & proximity; Prompt response to complaints/queries; and Product innovation. Management ensures that these things are done right and thus solidify the customer base.
What are the Opportunity/ies Identified?	Management approach
The Company also has to be keen on what the competition is doing and what are the relative strengths and weaknesses of the competitor(s).	Knowing the competitors' strength and weaknesses in relation to the Company's resources and its position in the market gives management the latitude on when to react and how.

Disclosure	Quantity	Units
Number of substantiated complaints on product or service health and safety	none	-
Number of complaints addressed	Not material	-

As had been explained above, and in another section of this report, people are commonly familiar with LPG as a convenient fuel for cooking and are aware of how to use it safely. Moreover, it is a clean burning fuel with very little carbon emissions.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
Not material	
What are the risks/s identified	Management approach
Not material	
What are the Opportunity/ies Identified?	Management approach
Not material	

Marketing and Labelling

Disclosure	Quantity	Units
Number of substantiated complaints on marketing and labelling	none	-
Number of complaints addressed	Not material	-

The Company is very much capable in assuring its customers of a stable supply of LPG products (cooking gas, cylinders, stoves & accessories) given its integrated and complete infrastructure of import terminals, refilling plants, sales centers, and accredited dealers which have made said products very accessible to the household consumers. The design and labeling of the LPG cylinder is more than adequate with respect to the government's requirements of product standards.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
Not material	
What are the risks/s Identified	Management approach
Not material	
What are the Opportunity/ies Identified?	Management approach
Not material	

Customer Privacy

Disclosure	Quantity	Units
Number of substantiated complaints on customer privacy	none	-
No. of complaints addressed	none	-
No. of customers, users, and account holders whose information is used for secondary purposes	none	-

The Company subscribes to the tenets and requirements of the Data Privacy Act in relation to customer privacy. No substantiated complaints occurred on customer privacy during the period under review.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
This is related to the topic below on Data Security, please see responses below.	
What are the risks/s Identified	Management approach
This is related to the topic below on Data Security, please see responses below.	
What are the Opportunity/ies Identified?	Management approach

This is related to the topic below on Data Security, please see responses below.

DATA SECURITY

Disclosure	Quantity
No. of data breaches, including leaks, thefts and losses of data	-

The Company is not aware of any data breaches, including leaks, thefts and losses of data that were committed by its employees or other entities.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management approach
No data security complaints were noted during the period under review. There is a secured data management that is being implemented.	There is continuing review of data management and protection practices.
What are the risks/s Identified	Management approach
The Company may be at risk for breach of data.	There shall be continuing review and improvement of data protection policy and practices, and to require other entities with which the Company deals in complying with the Data Privacy Act.
What are the Opportunity/ies Identified?	Management approach
Work and coordinate with the Company's Data Protection Officer and Information Technology Department to further protect data.	There shall be continuing review and improvement of data protection policy and practices, and to require other entities with which the Company deals in complying with the Data Privacy Act.

CORPORATE GOVERNANCE

The Company maintains a Manual of Corporate Governance (the “Manual”) to institutionalize sound corporate governance practices, enhance investor protection, and increase accountability. The Company has a Compliance Officer (as the Manual requires) who has direct reporting responsibilities to the Chairman of the Board of Directors and monitors compliance with corporate governance matters. The Manual was revised / updated in March 2011 and July 2014 pursuant to SEC circulars. The Company nevertheless continuously reviews and evaluates its corporate governance policies to ensure the observance of sound governance practices. Likewise, pursuant to the requirements of the Manual, different board committees had been constituted whose members are appointed annually during the Board’s Organizational Meeting on the same day the annual stockholders’ meeting is held. The different board committees are: Audit Committee; Nomination Committee; Compensation and Remuneration Committee.

UN SUSTAINABLE DEVELOPMENT GOALS

Product Contribution to UN Sustainable Development Goals (SDGs)

Key Product	Societal Value / Contribution to SDG	Potential Negative Impact of Contribution	Management approach to negative impact
LPG cooking gas (and related products: cylinders; LPG gensets; stoves & accessories)	Affordable & Clean Energy - as had been explained and discussed, LPG is a clean burning fuel with very few emissions. Households are sold with a reliable supply of clean cooking gas (LPG) through safe to use and well-maintained durable steel cylinders.	LPG in the common 11-kg cylinders might not be affordable to those in the relatively lower income strata.	For those customers who want to stay within their budget, the Company has the affordable 2.7-kg sized Powerkalan. This is 58% to 60% lower than the regular 11-kg size that is used by the large majority of household consumers.
	Promotes sustainable use of Terrestrial Ecosystems - Apart from being a reasonably clean burning fuel compared to other fossil-based fuels, LPG is also non-toxic and has no impact on soil, water and underground aquifers.	At the moment, the Company sees no potential negative on this contribution.	-
	Provides Employment &	No potential negative	The stability of the

	<p>Contributes to Economic Growth - The Company conducts its LPG business nationwide, under the brand name PRYCEGAS, in various areas of Luzon, Visayas, and Mindanao. It provides employment to around 4,500 people around the country, which includes probationary and regular employees, as well as people from providers of contracted services. The Company's LPG product (cooking gas) is a basic convenience that every household needs. Historical data from the Department of Energy has consistently shown increase in LPG demand, driven by increasing household income, a consistently growing economy especially in the last decade, and a relatively low LPG per capita consumption indicating much room for growth in the LPG industry. These considerations inspire the Company's drive to further expanding its plant capacities and business operations, which in turn will bring more employment to many. Employment necessarily impacts positively on poverty alleviation and inequality.</p>	<p>impact on this contribution, except perhaps if the Company stops as a going concern possibly owing to the vagaries of the market, in which case there will be loss of employment for the Company employees.</p>	<p>company's LPG business is underpinned by the following:</p> <ul style="list-style-type: none"> • Market demand for LPG will continue to grow given the country's low LPG consumption per capita compared to certain ASEAN neighbors – there is thus much room for demand growth; • Strong household incomes can support the above demand, and such incomes have been brought about by the continually growing economy over the last decade; • The LPG business is such that customers are virtually tied to a brand; they cannot easily switch brands since the refilling of a branded cylinder by another supplier is unlawful. • LPG as an energy source is a clean burning fuel with very low emissions so that its use will stay for <u>at least</u> the next many decades; also, it is cheaper compared to heating by electricity; • Competitively-priced green energy substitutes for LPG still need to be completely developed and commercialized on a large scale globally. <p>Further, the Company has already built a nationwide infrastructure network of import terminals, refilling</p>
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			plants, sales centers, and dealers that have made its LPG (cooking gas) closer and accessible to its consumers, and assure the market with a steady supply of LPG.
	Gender Equality - All operations and activities within the Company's businesses (LPG, memorial park operations, and pharmaceutical products) are such that they are gender neutral.	There are certain jobs or tasks that involve lifting / handling of very heavy steel cylinders (with content) that tends to favor the male gender.	Management does not have a policy expressly prohibiting the female gender from choosing to handle such tasks. However, this is a culture bound matter; women in Philippine society will almost always not take up such kind of heavy tasks.
	Partnership for the UN SDG - the foregoing considerations definitely makes the product and the Company a partner in promoting the goals for a sustainable development.	Collectively covered above already	Collectively covered above already