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## Cebu Landmasters, Inc.\_SEC Form 17-A with FY2022 Audited Financial Statements and 2022 Sustainability Report\_17 April 2023

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**2022 SUSTAINABILITY PERFORMANCE**  
 ECONOMIC, ENVIRONMENT, SOCIAL AND GOVERNANCE

GRI General Disclosures	Contextual Information	
102-1	Name of Organization	<b>Cebu Landmasters, Inc.</b>
102-2	Business Model, including Primary Activities, Brands	<p>Cebu Landmasters, Inc. (CLI) is the leading developer in Visayas and Mindanao. The Company is mainly engaged in residential development both in vertical and horizontal projects located in key cities and urban areas in VisMin. Key brands include: Premier series (High-end), Garden Series (Mid-Market), Casa Mira (Economic) and Villa Casita (Socialized Housing).</p> <p>CLI is also currently building up its leasing portfolio through more ventures in office, retail, hotels and resort, townships and estate developments.</p> <p><b>Key activities</b> include: Business Development, Technical Planning, Construction, Marketing and Sales, Commercial Operations and Property Management</p>
102-3	Location of Headquarters	10th Floor Park Centrale, Jose Ma. Del Mar St., Cebu IT Park, Brgy. Apas, Cebu City
102-4 102-6	Location of Operations/ Markets Served	The Company is currently present in 5 provinces, 21 cities and municipalities, 48 barangays in the Visayas and Mindanao Regions.
	Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	<p>Subsidiaries:</p> <ul style="list-style-type: none"> <li>A.S. Fortuna Property Ventures, Inc. (“ASF”)</li> <li>BL CBP Ventures, Inc. (“BL Ventures”)</li> <li>CCLI Premier Hotels, Inc. (“CCLI”)</li> <li><b>CLI Hotels and Resorts Inc. (“CHR”)</b></li> <li>CLI-LITE Panglao Inc. (“CLI-LITE”)</li> <li>Cebu BL-Ramos Ventures, Inc. (CBLRV)</li> <li>Cebu Homegrown Developers, Inc. (“CHDI”)</li> </ul>

		<p>Cebu Landmasters Property Management, Inc. (“CPM”)          CLI Premier Hotels Int’l. Inc. (“CPH”)          El Camino Developers Cebu, Inc. (“El Camino”)          GGTT Realty Corporation (“GGTT”)          Mivesa Garden Residences, Inc. (“MGR”)          Ming-mori Development Corporation (“MDC”)          Sugbo Prime Estate, Inc. (“SPE”)          YHES Premier Hotels Inc. (“YHESPH”)          YHEST Realty and Development Corporation (“YHEST”)          Yuson Excellence Soberano, Inc. (“YES”)          Yuson Huang Excellence Soberano, Inc. (“YHES”)</p> <p><b>Associates:</b>          Icom Air Corporation (“ICOM”)          Magspeak Nature Park, Inc. (“Magspeak”)</p>
	Reporting Period	January 1, 2022 to December 31, 2022
102-7	Scale of the Organization (employees, operations, products and services)	<p>A total of 801 employees:</p> <ul style="list-style-type: none"> <li>- 669 Cebu Landmasters, Inc. (parent company)</li> <li>- 99 Cebu Landmasters Property Management</li> <li>- 33 CLI Premier Hotels</li> </ul> <p>Details on products and services can be found in the section ‘business / operations review and financial performance’ of SEC 17-A and in the PRODUCT pillar section of this report</p>
102-13	Membership in Associations	<ol style="list-style-type: none"> <li>1. Subdivision and Housing Developers’ Association (SHDA) Central Visayas</li> <li>2. Subdivision and Housing Developers’ Association (SHDA) Panay Chapter</li> <li>3. Organization of Socialized and Economic Housing Development of the Philippines (OSHDP)</li> <li>4. Chamber of Real Estate and Builders Associations, Inc. (CREBA)</li> <li>5. Cebu IT BPM Organization</li> <li>6. Cebu Leads Foundation</li> </ol>
	Highest Ranking Person responsible for this report	<p>Jose Franco B. Soberano          Corporate Sustainability Officer / Chief Operations Officer</p>

Cebu Landmasters, Inc. plans, programs and activities centered on embedding sustainability into the core of its operations. Review of organizational development plans, processes, products and practices served

as part of the company's materiality exercise to determine what matters most, what will be given priority and what programs and process changes can be introduced.

## **SECOND INTEGRATED REPORT**

CLI is publishing this second integrated report in accordance with globally-accepted systems and standards for corporate disclosure. CLI cross-referenced general and material disclosure topics on the most widely-adopted Global Reporting Initiative (GRI Standards), the Sustainability Accounting Standards Board (SASB) and the International Integrated Reporting Council (IIRC).

This report is a coherent and a comprehensive system to communicate corporate disclosures and provide insights on the interconnections of CLI's capitals, key business activities, issues, risks, opportunities, impacts and strategies..

The exercise of measuring and managing data has allowed the Company to document, organize and measure economic, social and environmental impacts and use the output for better decision making, to improve organizational efficiency and increase transparency.

### **Scope and Features**

- Consolidated Financial and Non-Financial metrics: Economic, Environmental, Social and Governance performance covering internal business units, property management and construction through the Company's general contractors and subcontractors for fiscal year January to December 31, 2022, with comparative data covering 2021 performance.
- Contributions to the UN Sustainable Development Goals

## **GRI 102-40**

### **CLI's APPROACH TO SUSTAINABILITY**

The diagram below summarizes the steps CLI has taken in its sustainability journey and continues to move towards improving its business processes and seeks to embed sustainability in the core of its operations. CLI organizes its sustainability approach around the plan-Do-Check-Act (PDCA) cycle.

The Company conducted baselining exercise in 2021 to arrive at a consolidated non-financial data for its first Integrated Report. In 2022, much of the activities focused on organizational development and process review and embedding sustainability into the heart of the operations. This process came full circle from strategic planning, material aspects identification, determining key performance indicators, sustainability data management and reporting, continuing stakeholder engagement to performance review and identification of areas for improvement.



## **MATERIALITY PROCESS**

In 2022, CLI conducted a review of its key business activities, risks and impacts and re-assessed its data management tools to measure the Company's significant impacts to the environment, economy and society. The company's board, executive committee and management committee conducted the company's annual strategic planning session with theme 'Next Level CLI' to focus on business strategy, process and organizational review. The exercise followed by several cross-functional sessions served as venue to review the external economic environment, its current financial and operational performance, material issues, market leadership and how the company will level up and embrace the new reality while it seeks to integrate sustainability into the heart of the business and transition into a truly sustainable organization.

**CLI's key considerations in its materiality exercise included the following:**

**1) Strategic Alignment** –CLI anchors its sustainability strategy on the Company's vision, mission, core values, strategy and core competency. CLI's core business provides an opportunity to respond to the needs of its market. Its product portfolio includes development of residential products, office and retail space for lease, townships and hotels.

### 1.1 Key business activities

- a) Strategic Land Banking
- b) Residential Development and Residential Unit Sales
- c) Mixed-use Development/Retail and Office Space Development
- d) Township Development
- e) Commercial Operations: Retail and Office Space Leasing

- f) Hotel Development and Operations
- g) Property Management
- h) Development of New Business

The Company ensures that it has land or JV partnerships to be able to develop products for the future.

**2) Six-Capitals Approach** – The Company accounted for all its tangible and intangible capitals that allow CLI to develop its products and provide services. These capitals are as follows:

- 2.1 Natural - the environmental resources that we use and which all capitals draw from
- 2.2 Financial – funds used to build and provide services
- 2.3 Intellectual – the company’s knowledge base, brand, reputation, track record
- 2.4 Manufactured – the company’s man-made assets
- 2.5 Social/Relationship – the company’s relationship with its stakeholders and the society/external publics, in general.
- 2.6 Human - employees, their skills, competencies and experiences

CLI depends and draws from these capitals in order to deliver value. The company recognizes its impacts to these capitals and strives to minimize negative impacts.

CLI'S 6 CAPITALS					
Natural	Intellectual	Human	Manufactured	Social	Financial
<p>The environmental resources used by the company which all other capitals draw from</p> <ul style="list-style-type: none"> <li>• <b>Landbank</b> 116 hectares</li> <li>• <b>Materials</b> 2,1 million cu.m of sand 2.2 million cu.m of gravel 31,5 million kg of steel 98,4 million cu.m of cement 93,274 sqm of glass</li> <li>• <b>Energy</b> 98,646.56 GJ direct energy fuel used to operate gensets and to run vehicles ↑ 102% 24,102.91 GJ indirect energy (purchased electricity) ↑ 25.6%</li> <li>• <b>Water</b> 1,713,251.41 cu.m of water consumed ↑ 46%</li> </ul>	<p>Leading property developer in VisMin with a distinguished brand and reliable track record of project execution</p> <p><b>Core Competence/Strengths</b></p> <ul style="list-style-type: none"> <li>• Local Knowledge, mastery, expertise and dominance in VisMin</li> <li>• Established name/trusted brand</li> <li>• Fast turn over of projects vs competitors</li> <li>• Hands-on/personalized approach and digitized customer experience</li> <li>• Strong track record in the market segments</li> <li>• Award-winning planning and design</li> <li>• Pandemic-resilience vs. competitors in operations, construction, product demand and innovation</li> <li>• After-sales and property management support (in-house)</li> </ul>	<p>The company's employees, their skills and competencies</p> <p><b>10,735</b> Total direct and indirect hires of CLI</p> <p>Breakdown 669 CLI organic employees</p> <p>99 LI PM organic employees</p> <p>403 Outsourced personnel in managed properties</p> <p>106 Outsourced personnel in corporate/branch offices and showrooms</p> <p>33 organic and 14 outsourced personnel in hotel operations</p> <p>9,425 workforce in construction Sites</p>	<p>The company's assets: Highly diversified product mix In best locations in VisMin</p> <p><b>Real Estate Products</b> 83 Residential projects 10 Hotels 6 Offices 8 Retail 2 Townships</p> <p><b>Leasing Assets</b> &gt;30,006 sqm GLA from new projects</p> <p>Hotel Operations 180 rooms</p>	<p>CLI has a strong relationship with the local broker community, a trusted brand by its buyers and end-users, and a preferred partner of landowners as demonstrated by its successful <b>14 strategic and JV partnerships</b> <b>19 Banks/ Financial Institutions</b></p> <p><b>Other Stakeholders Engaged::</b> <b>1,785 brokers/sellers</b> <b>Government Agencies/ LGUs</b> 21 cities and municipalities and 66 barangays (VisMin) 14 national gov't agencies 18 local regulatory agencies 15 people's organizations</p> <p><b>Communities/Families</b> 390 informal settler families engaged (for socialized housing) &gt;4,000 families benefited from disaster response initiatives</p> <p><b>End Users of CLI Products:</b> 10,763 unit owners 14 Condo Corporations 11 Home Owners Associations</p>	<p><b>The funds used to build products and provide services</b></p> <p>Capital Expenditures 2022: P11 billion</p>

**Natural Capital**

CLI depends on land, water, energy and materials such as sand, gravel, steel, among others, all of which are derived from nature. These become inputs to CLI’s business activities, widely used in commercial operations, construction and office administration.

Summary of CLI's natural capital includes the following:

- Landbank **116 hectares in 16 locations in VisMin with a value of P12 Billion**
- Direct Energy **98,646.56 Gigajoules** fuel used to operate gensets and to run vehicles  
In corporate offices, managed properties and construction sites  
Up by **102%** vs 2021
- Indirect Energy **24,102.91 GJ** total purchased electricity used by corporate and branch  
offices, managed properties and construction sites  
up by **25.6% vs 2021**
- Water **1,713,251.41** cu.m of water consumed in corporate offices,  
managed properties and construction sites  
up by **46%** vs 2021

### **Intellectual Capital**

CLI's intangible assets or collective knowledge, skills, expertise and internal business processes are considered the Company's intellectual capital. These give CLI a competitive advantage and drive product design and development, profitability, business and organizational growth. CLI has responded well to the increasing market demand in Visayas and Mindanao, outpacing other developers in construction and delivering completed units to its customers. On the average, CLI can convert raw land to a turned-over project in three to four years, depending on the project size.

### **The company's core competencies include:**

- Local Knowledge, mastery, expertise and dominance in the Visayas and Mindanao
- Established name and trusted brand
- Fast turn-over of projects versus competitors
- Hands-on/personalized approach and digitized customer experience
- Strong track record in the market segments
- Award-winning planning and design
- Pandemic-resilience vs. competitors in operations, construction, product demand and innovation
- After-sales and property management support (in-house)

### **Manufactured Capital**

CLI is now a fully integrated real estate developer with a highly diversified and expanding portfolio of residences, offices, retail spaces, hotels, mixed use developments, townships and estates across the Visayas and Mindanao Regions. CLI's properties are distinguished by the quality of its locations, award-winning planning and design, generous amenities, timely and quality construction, and industry-best customer service, after-sales and property management support at very competitive prices.

As of December 31, 2022, CLI has diversified its product portfolio, with a full-line real estate products in various stages of development: **80** residential properties, **10** hotels (one operational with 180 rooms), **6** offices, **10** mixed-use, **3** townships and with leasing assets of over 29,000 sqm of gross leasable area.

## **Financial Capital**

CLI ensures that funds are available to develop real estate products and provide services. These funds are sourced from internal operations generating profits, and from external capital, both equity and debt. Our loans come from local banks and institutions, and our equity comes from being a publicly-listed Company on the Philippine Stock Exchange. We highly value the trust our investors have placed in us and are committed to good governance, prudent risk management and financial responsibility to generate returns for our investors. In 2022, CLI's capital expenditure reached P 11 Billion.

## **Human Capital /Employees**

CLI recognizes that its people are its most critical asset. The achievement of the Company's vision greatly depends on its human capital. The Company continues to tap various sources to ensure that it has adequate and quality personnel to meet the demands of the business. CLI employees are valued for their contribution to the Company and are compensated competitively and continuously empowered through professional development opportunities.

In 2022, the Company recorded a total of 801 employees: 669 from the parent company and 132 from subsidiaries, Cebu Landmasters Property Management and Cebu Landmasters Hotels combined.

## **Social Capital**

CLI is the leading VisMin property developer with its unique regional expertise, sound "acquire-to-develop" strategy, a strong relationship with the local broker community, a trusted brand by its buyers and end-users, and a preferred partner of landowners as demonstrated by its successful JV partnerships.

### **a) Partners**

The Company recognizes the role of its business partners in delivering CLI's products and services. The Company strives to maintain a long-term and mutually beneficial relationship between its JV partners, suppliers, contractors and service providers. CLI's 14 strategic partnerships and joint ventures include: BL CBP Ventures, Inc. (BLCBP), CCLI Premier Hotels, Inc. (CCLI), Cebu BL-Ramos Ventures Inc. (CBLRV), Cebu Homegrown Developers, Inc. (CHDI), CLI Premier Hotels Int'l. Inc. (CPH), El Camino Developers Cebu, Inc. (El Camino), GGTT Realty Corporation (GGTT), Mivesa Garden Residences, Inc. (MGR), YHES Premier Hotel Inc. (YHESPH), YHEST Realty and Development Corporation (YHEST), Yuson Excellence Soberano, Inc. (YES), Yuson Huang Excellence Soberano, Inc. (YHES), Sugbo Prime Estates, Inc. (SPH) and CLI-LITE, Inc.

### **b) Customers**

CLI recognizes that customer satisfaction will impact the entire organization and it starts with the quality of the product. Customer satisfaction also involves the overall experience of the customer from reservation of units, monthly equity payments, prompt construction updates, smooth take-out and turn-over to property management. In the last two years, CLI prioritized enhancements in digitalization and innovation to strengthen connection and communication to its broker network and buyers. CLI's active broker network has reached 1,785 brokers and over 10,000 sellers. End users of the Company's properties are handled by the property management team and are engaged through regular general membership meetings and other channels of engagement.



**c) LGUs / Host and Partner Communities**

CLI is committed to demonstrate responsible planning and development. Wherever the Company develops, community and infrastructure improvements within the neighboring areas of our projects are integral parts of the development plan.

In 2022, CLI has partnered with a total of 66 barangays from 15 cities and 6 municipalities. In addition, the Company engages with 14 national government agencies, 18 local regulatory agencies and utility companies combined, 15 people’s organizations and a number of academic institutions, civil society and socio-civic organizations.

**3) Stakeholder Mapping & Engagement**

**GRI 102-40**

Stakeholder groups are engaged in the course of departmental activities done on a regular basis, using a multi-channel approach that proved to be practical and convenient for the stakeholders amidst the continuing pandemic and the impacts of Typhoon Odette. Through defined channels of engagement, interests of each stakeholder group are identified, communicated and addressed. CLI has implemented systems and processes to continue to engage its stakeholders, particularly the use of digital innovations such as online systems for brokers and sellers, virtual launches, project turnovers and other online events. In 2022, a balance of in-person or face-to-face meetings, virtual meetings, online learning sessions and project launches were conducted. The company’s major events particularly those that involve CLI’s partners, brokers, sellers, customers, communities were back onsite.

Below are CLI’s stakeholder groups based on key activities.



STAKEHOLDER RELATIONSHIPS IR 3.10	Employees/internal stakeholders	Institutional investors /financial analysts	Individual Shareholders	Business Partners	Owners of Land for acquisition	Suppliers/Contractors /Consultants	Regulators: PSE/SEC	National Government Agencies/ LGU	Buyers	Brokers/Sellers	Homeowners Associations	Retail /Office Space Tenants	Hotel Guests	Communities	Banks and Creditors	Utility Companies	Media Partners
<b>Corporate Office</b>																	
-Finance/Investor Relations	●	●	●	●	●	●	●	●	●	●		●			●	●	●
-Legal and Compliance	●			●	●	●	●	●	●	●	●	●			●		
- HR/Admin	●					●		●						●			
-Supply Chain	●					●	●	●						●	●		
- Risk Management	●					●		●								●	
-Mktg/Comms	●					●							●	●			●
- Permits and Licenses	●					●	●	●	●	●					●		
-Information Technology	●					●		●									
<b>Business Development/SBUs</b>	●			●	●	●		●						●	●	●	●
Engineering /Construction	●			●		●	●	●	●	●	●	●		●			
Sales/Customer Relations/Accounts Mgt/	●			●		●		●	●	●					●		●
Leasing Operations	●			●		●		●				●					
Hotel Operations	●			●		●		●					●				●
Property Management	●			●		●		●	●	●	●	●		●	●	●	●

● Frequent  
● As Needed

### Outputs of Stakeholder Engagement in 2022 Conducted Per Stakeholder Group

Stakeholder	Channels of Engagement	Expressed Needs	Interest Areas	How We Respond
<b>CUSTOMERS:</b> Sellers / Buyers	<p>Virtual / Digital Channels: Facebook pages Online Reservation Process Group Chats</p> <p>Buy-A-Home microsite to provide sales partners quick access to new project inventories and promotions;</p> <p>Masters Portal application for homeowners to track their payment status and to get CLI construction updates and promos; and Facebook chatbot for 24/7 response to general inquiries.</p> <p>Online Reservation Process CLI Elite Circle: Buyers' Rewards &amp; Loyalty Program Online Homefest Flagship Sales Office Opening &amp; New Features:</p>	<p>Safety and ease in the conduct of sales transactions; strict compliance with pandemic-related protocols</p> <p>Safety features of products</p> <p>Product differentiation across brands that has impact on pricing</p> <p>Time- bound response to inquiries</p> <p>Time-bound issuance of commissions and resolution of other concerns (sellers)</p> <p>Ease in entering building premises for unit viewing (sellers)</p> <p>Accuracy and timeliness of customer's records</p>	<p>Continuing rewards/ loyalty incentives</p> <p>Full automation of IT systems in order to provide real-time status of customers' accounts</p>	<p>Promotional offers, and various payment terms and discounts</p> <p>Customer feedback is captured through the following channels:</p> <p>Online platforms: sellers' portals, chat groups, email blasts, social media sites, customer care, exhibits, site trips, online turn over; dedicated hotline and email addresses</p> <p>Online Homefest Flagship sales office opening &amp; new Features: Digital/queuing system, Ticketing general queries counter, interactive screens</p> <p>Product knowledge seminars</p> <p>CLI Elite Circle: Buyers' Rewards &amp; Loyalty Program</p> <p>On-time issuance of commissions for sellers</p>

	Digital /Queuing System, Ticketing General Queries Counter, Interactive screens Virtual Launches/Events Virtual Turn over Experience Dedicated Hotline and Email Addresses	(SOA, BS and Receipts) provided within an acceptable turnaround time  Timeliness in release of Transfer Certificate of Titles (TCTs), Tax Declarations and other documents		Improving seller competency through seminar series  Enhanced billing statements and reports  Auto-notification on Payment Reminders and Missed Payments
<b>CUSTOMERS:</b> End users of products: Home Owners Associations / Condominium Corporations	Annual General Meetings Town Hall Meetings  Board meetings, unit inspections  Virtual / Digital Channels: Facebook pages  Group Chats  Trainings/Seminars/Learning Sessions	Ease in transacting payments (monthly dues)  Efficiency of utilities / water & power supply  Warranty service requests	Upkeep and maintenance of property  Security, safety and emergency response  Digital transformation  Other payment platforms - gcash, BPI billers  Community Culture Development and Community Development Activities (fiesta, Halloween, Christmas, Sports Leagues, etc)	Regular engagement with HOAs through GMMs and Town Hall Meetings  Time-bound response to concerns / complaints  Time-bound issuance of billing statements and other documents  Creation of Committees  Issuance of circular and community updates  Process digitalization on vertical projects (residential towers) implemented  Ongoing of process digitalization for horizontal projects (phase 1)
<b>CUSTOMERS:</b> Office and Retail space lessees/ end users of leased products	Virtual/digital channels: Facebook page	On-time completion of construction of leasing products  On-time turnover of office / retail space (for fit out)  Time- bound response to inquiries, complaints and release of billings (utilities and monthly charges)  Safety  Reliable maintenance of utilities (i.e. water and electricity)	Disaster readiness and response  Future partnerships and collaboration	Regular coordination and gathering of feedback through CLI Property Management
<b>JV PARTNERS</b>	Formal and casual meetings; project site visits Emails	Return on Investment	Development Timelines	Completeness in finance updates during board meetings
<b>REGULATORS:</b> SEC, PSE, BIR, DHSUD,	Inquiries and correspondence by and	Integrity and accuracy of documentary	Beyond compliance on economic, social and	Proactive and extensive monitoring, review, evaluation,

<p>AMLC (among other government agencies and regulators)</p> <p>Compliance with regulatory requirements and serve as trusted partner to assure all stakeholders of CLI's exemplary corporate governance</p>	<p>between CLI and the various government regulators, whether in person (meetings; dialogues) or in writing (e-mails; formal letter correspondence).</p> <p>Discussions and coordination with IPA regulators for registration of projects and availment of fiscal and non-fiscal incentives.</p> <p>Attendance and participation in government-initiated training sessions.</p> <p>Submission of reports, disclosures and other documentary requirements.</p> <p>Visits to government offices for submission of compliance requirements.</p> <p>Payment of taxes, business permits and licenses,</p> <p>Property visits for inspection by government officers.</p>	<p>submissions, reports, and disclosures.</p> <p>Submission of reportorial requirements within the deadline and through the proper modes or channels set by the regulators (various government portals; e-mails; hard copy submissions).</p> <p>Coordination and cooperation with the government regulators in case of inquiries or conduct of government audits.</p> <p>Compliance with all relevant laws and regulations.</p>	<p>environmental regulations/ disclosure requirements</p> <p>Continuing support and involvement of the private sector in government-initiated programs for the community particularly those that address the needs of the bottom-of-the-pyramid segment of society</p>	<p>and compliance with all the relevant laws, rules and regulations, and government issuances of regulatory agencies</p> <p>CLI, its directors and key officers continue to keep themselves abreast of relevant laws, regulations, and industry developments. In keeping thereto, CLI adheres to its training policy and program, including the attendance of directors and key officers in annual corporate governance training.</p> <p>CLI ensures the proper review and evaluation of information and documents before submission to regulators.</p> <p>CLI ensures the faithful, transparent, and timely submission of disclosures and reports to the appropriate government regulators.</p> <p>Close coordination and cooperation with the regulators, ensuring open lines of communication, and timeliness in responding to their request for documents and information. CLI emphasizes that it will continue to be an exemplary corporate citizen and trusted partner of the government and the society in general.</p> <p>Prompt and accurate payment of taxes and regulatory fees</p>
<p><b>LGUs</b> and local communities as partners in socialized housing development and community development programs</p>	<p>Partnerships/ co-sponsored events, and regular reviews; neighboring communities as program partners and/or beneficiaries to the company's social development programs.</p> <p>Continuing pandemic and disaster response in 2022</p> <p>Public hearing /consultations</p> <p>Community needs assessment</p>	<p>Collaboration with the private sector on social and environmental programs for the community particularly beneficiaries of CLI's socialized housing projects</p> <p>Raising public awareness on relevant environmental and socio-economic issues</p> <p>Local employment</p> <p>Increase in barangay</p>	<p>More job opportunities for the constituents and local residents.</p> <p>Livelihood programs for the women organizations in the community</p> <p>Partnerships and collaboration on environmental programs</p> <p>Guidance on socialized housing design development, social</p>	<p>Close coordination with LGU on program partnership implementation</p> <p>Provision of integrated support systems including infrastructure enhancements and upgrades (roads, drainage systems), community facilities, community engagement sessions</p> <p>Attendance and active participation in LGU-organized meetings and conferences</p> <p>Lending expertise through work sessions on socialized housing</p>

	<p>Program partnerships on environment, employment, education, capacity building, arts and culture</p> <p>Meetings / site visits</p>	<p>income through barangay permits</p>	<p>preparation, human settlement administration and property management</p> <p>Venue for civic interaction</p> <p>Increase in barangay income</p>	<p>development and management</p>
<p><b>LOCAL COMMUNITIES:</b> host, partner or neighboring barangays</p>	<p>Community organizing activities and needs assessment</p> <p>Project orientations</p> <p>Consultations</p> <p>Program partnerships on environment, employment, education, livelihood</p>	<p>Local employment</p> <p>Concerns on access</p> <p>Livelihood programs</p> <p>Environmental programs</p> <p>Skills training program</p> <p>Supporting small business start-ups in the locality</p>	<p>Program partnerships</p> <p>Guidance on social preparation and property management</p> <p>Implementation of community programs on education, emergency and disaster readiness, livelihood and social preparation for beneficiaries of socialized mid-rise project turned over to LGU</p>	<p>Community engagement/clarificatory meetings and consultations with various sectors e.g fisherfolks, farmers, women’s organizations</p> <p>Provision / repairs of roads and drainage system</p> <p>Partnerships with LGUs on various community programs that address community needs</p> <p>Local employment prioritization</p>
<p><b>INDIVIDUAL / INSTITUTIONAL SHAREHOLDERS/ INVESTORS</b></p> <p>Protect the interests of shareholders by increasing shareholder value; continue our position as an excellent investment vehicle</p>	<p>Shareholder inquiries and updates through PSE EDGE filings for real time disclosures, “Maestro” newsletter for monthly updates, investor engagements through one-on-one meetings, non-deal local and international roadshows, report of company performance through quarterly analyst briefings, stockholders’ meetings and annual reports</p> <p>CLI is also scheduling an IR day to bring analysts’ to Cebu and showcase CLI projects</p>	<p>Knowledge on company financial and operational performance and updates</p> <p>Increased investment opportunities</p> <p>Future returns</p>	<p>Financial and operational performance and updates</p> <p>Market price appreciation</p> <p>Dividends</p> <p>ESG performance</p> <p>CLI’s sustainability commitment and management approach</p>	<p>Transparency in performance updates and future plans</p> <p>Ensuring sustainable company growth and expansion</p> <p>Growing shareholder value</p> <p>Declaration of dividends</p> <p>Communication of Environmental, Social and Governance (ESG) / sustainability performance</p>
<p><b>EMPLOYEES:</b> (direct CLI hires) CLI’s important resource to achieve the Company’s goals</p>	<p>Townhall meetings,</p> <p>Training programs</p> <p>Employee engagement activities</p> <p>Gender-targeted programs</p> <p>Employee volunteer program</p>	<p>Adequate compensation and benefits,</p> <p>Health and Well-being programs</p> <p>HMO benefits package upgrade</p> <p>Training and organizational development</p>	<p>Wellness and work-life balance</p> <p>Personal and corporate sustainability</p> <p>Better workplace conditions</p> <p>More spaces for collaboration and interaction</p>	<p>Benefits upgrade</p> <p>Pay increase</p> <p>Wellness program (Hilig Clubs)</p> <p>Training and organizational development programs</p> <p>Health and safety programs</p> <p>Formation of various cross-</p>

	<p>Email blasts</p> <p>Workplace posts / chats</p>	<p>Flexible work arrangements</p>	<p>Age-targeted programs</p> <p>Retirement readiness plans</p>	<p>functional committees in the areas of disaster management, occupational health and safety: hazard identification, emergency response and basic life skills training</p> <p>Continuing learning and work sessions on sustainability themes and topics</p>
<p><b>EMPLOYEES:</b> Indirect hires (employees of contractors)</p>	<p>Assistance of construction workforce through contractors during the pandemic</p>	<p>Safety and minimal exposure at the height of the pandemic</p>	<p>Continuing response/ assistance in cases of disasters</p>	<p>Assistance to workers and their families during the pandemic; resources allocated for stay-in workers</p>
<p><b>SUPPLIERS AND CONTRACTORS</b></p>	<p>Supplier/Contractor accreditation process, bidding &amp; negotiation, selection &amp; awarding, delivery &amp; execution, and billing process</p>	<p>Suppliers: Timely release of payments as per agreed terms</p> <p>Better payment terms</p> <p>Contractors: Concern on cash flow vis a vis schedule of payments</p> <p>Continuing employment</p> <p>Health and safety</p> <p>Proper timing of award of prerequisite contracts</p>	<p>Suppliers: Equality and fair bidding process</p> <p>Equal opportunities for local contractors</p> <p>Identify and develop sustainable water sources</p> <p>Resource conservation</p>	<p>Enhancement on the billing process</p> <p>Enhancement of supplier /contractor selection and evaluation process</p> <p>Award interdependent contracts on time</p>
<p><b>MEDIA PARTNERS</b></p> <p>Means of Promoting CLI's brand, image and reputation</p>	<p>Conduct of press conferences</p> <p>Corporate briefings</p> <p>Interviews with top executives</p> <p>Advertorials</p>	<p>Sufficient information about CLI's credibility, projects and brands</p> <p>Availability of company representatives for interview</p> <p>Usefulness of information shared</p> <p>Open communication lines</p>	<p>Disclosures</p> <p>Publicity</p> <p>Advertisement</p> <p>Announcements</p> <p>Issues-handling</p>	<p>Seeding of press releases / Media briefings / regular updates on new projects and developments</p>

#### 4) Identification / Assessment of Material Impacts: Developing the Company's Balanced Scorecard

CLI's strategic planning pre-work and actual session, management committee meetings and sustainability data collection and validation allowed the company to identify important and relevant impacts, issues and risks from a sustainability standpoint. Sustainability talks from experts on climate-change related risks and green buildings provided insights on the value of identifying, measuring, addressing and even minimizing negative impacts of the company's business activities to the environment and society. These activities served to focus on what matters most to the company and its stakeholders. Alignment with the Company's risk management process provided a clearer picture of the company's risks while developing risk mitigation measures.

Impact assessment was conducted as the company accounted for all its capitals and resources. Lessons learned and feedback gathered from stakeholders who were most affected by the pandemic and typhoon Odette were considered. Much of the impacts of the natural disaster that hit the tail end of the year 2021 was felt in the early part of year 2022 in the aspects of health, safety and well-being of the company's workforce, customer and partner communities, including the importance of responsible resource use and managing impacts on the physical and natural environment of the company's project areas. While transitioning back to the post-pandemic and post-Odette reality, the company started to conduct organizational, process and policy reviews and started to develop strategic measures that best address the needs of the company and its stakeholders.

The company created an inter-departmental and cross-functional task force to cascade strategy, align the departments to the corporate level strategy and ensure follow through on strategy management. The work sessions of the taskforce provided significant inputs for the process review and target setting, from which the **corporate, departmental and individual balanced scorecards** are developed. The scorecard development exercise discussed the steps in the formulation of key result areas vis-à-vis key performance indicators (KPIs), targets and rating system that are aligned to the strategic plan. Aside from financial performance tracking, the scorecard has specific KPIs and measures on the aspect of **organizational development, customer, communities, process, digitalization and environmental sustainability applied in project development**. The KPIs reflected in the corporate scorecard are further expanded at the departmental level with a more detailed set of measures.

The scorecard development sessions served as the company's materiality exercise. The scorecard reflects all aspects that matter most to CLI, as enlisted below:

Theme	Material Topic	Why It Matters	Who are Affected	How is it tracked	
Economic	Economic Value Generation and Distribution	<ul style="list-style-type: none"> <li>Economic Value Generated, Distributed &amp; Retained</li> <li>Significant Indirect Economic Impacts</li> </ul>	CLI ensures long-term shareholder value; helps grow local markets and contributes to the local economy in the area where it serves  The company relies on contractors with both local and national experience to build real estate products  CLI conducts its business in an ethical manner  CLI ensures that its products are resilient against climate change impacts and hazards	Workforce Shareholders Business Operations Customers Suppliers /Local Communities	<ul style="list-style-type: none"> <li>Financial</li> <li>Business</li> </ul>
	Significant Indirect Economic Impacts				
Environment	Resource Management	<ul style="list-style-type: none"> <li>Baseline Measurements</li> <li>Land, Water, Energy, Materials</li> <li>Impacts / Mitigation</li> <li>Adaptation</li> </ul>	These are natural capitals needed to develop CLI's products; CLI commits to manage resource use in our commercial properties and construction sites.  CLI's business operations have impacts to the environment from design development, construction to operations	Business Operations Customers / End users of products Environments	<ul style="list-style-type: none"> <li>Environmental Sustainability Resource Conservation</li> <li>Product Innovation Application of Green Features in Project Development</li> </ul>
	Environmental Impact Management				
Social	Human Capital/Employee Management	<ul style="list-style-type: none"> <li>Employee Health and Well-being</li> <li>Compliance to Labor Standards</li> <li>Training and Development</li> <li>Diversity and Equal Opportunity</li> <li>Marketing and Labeling</li> <li>Customer Privacy</li> <li>Customer Health and Safety</li> <li>Local Communities: Partnerships and Development Programs</li> </ul>	CLI invests in its human capital and prioritizes its employees' health and wellbeing and promotes equality in the workplace  CLI strives to be customer-centric; improves its systems to enhance customer experience  CLI values its relationship with its partners; provides needed resources to improve living conditions of families in its partner/host communities	Employees  Customers  Host/partner communities	<ul style="list-style-type: none"> <li>Workforce/Organizational Development/Learning and Growth/ Customer Communities</li> </ul>
	Customer Management				
	Community Engagement				
Governance	Board Composition & Responsibilities	<ul style="list-style-type: none"> <li>Governance Policies: Board Composition and Responsibilities</li> <li>Risk Management</li> <li>IT/ Digitalization</li> </ul>	CLI conducts its business in a responsibly, professionally, ethically and with transparency and accountability	Employees Customers Business Partners	<ul style="list-style-type: none"> <li>Process Digitalization</li> </ul>

CLI's material topics for SEC disclosure listed below are referenced on global standards Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and the Integrated Reporting (IR) Framework

DISCLOSURE TOPICS CROSS-REFERENCING ON GLOBAL STANDARDS

Themes	Material Topics	SEC	GRI	SASB	IR Framework
Direct / Indirect Economic Impacts	<ul style="list-style-type: none"> <li>Economic Value Generated, Distributed &amp; Retained</li> <li>Significant Indirect Economic Impacts</li> <li>Products for Low-Income Segment</li> <li>Workforce Supported in the Supply Chain</li> <li>Priority on Local Sourcing</li> <li>Procurement Practices</li> <li>Anti Corruption</li> <li>Climate-related Impacts</li> </ul>	<ul style="list-style-type: none"> <li>Proportion of spending on local suppliers</li> <li>Anti Corruption Policy</li> <li>Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>201 Economic Performance</li> <li>202 Market Presence</li> <li>203 Indirect Economic Impacts</li> <li>204 Procurement Practices</li> </ul>	<ul style="list-style-type: none"> <li>Business Model Innovation</li> <li>Product Quality and safety</li> <li>Leadership and Governance</li> <li>Materials Sourcing</li> <li>Supply Chain Management</li> </ul>	<ul style="list-style-type: none"> <li>6-Capital Approach</li> <li>8 Content Elements                             <ul style="list-style-type: none"> <li>Organizational overview and external environment</li> <li>Governance</li> <li>Business model</li> <li>Risks and opportunities</li> <li>Strategy and resource allocation</li> <li>Performance</li> <li>Outlook</li> <li>Basis of presentation</li> </ul> </li> </ul>
Resource Management	<ul style="list-style-type: none"> <li>Baseline Measurements</li> <li>Land, Water, Energy, Materials</li> </ul>	<ul style="list-style-type: none"> <li>Water Consumption within the organization</li> </ul>	<ul style="list-style-type: none"> <li>301 Materials</li> <li>303 Water withdrawal</li> <li>301-2 Recycled input materials used</li> </ul>	<ul style="list-style-type: none"> <li>Environmental. Social impacts on assets/operations</li> </ul>	
Environmental Impact	<ul style="list-style-type: none"> <li>Impacts / Mitigation</li> <li>Adaptation</li> <li>GHG Emissions</li> <li>Solid Waste</li> <li>Effluents</li> <li>Hazardous Waste</li> <li>Ecosystem and Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Materials used by organization</li> <li>Ecosystems and Biodiversity</li> <li>Air Emissions / GHG</li> </ul>	<ul style="list-style-type: none"> <li>302 Energy</li> <li>303-4 (2018 std) Water Discharge</li> <li>304 Biodiversity</li> <li>305-6 Emissions of ozone-depleting substances</li> <li>306-4 Transport of hazardous waste</li> <li>306 Waste</li> <li>307 Environmental Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Energy Management</li> <li>Fuel Management</li> <li>GHG Emissions</li> <li>Water and Wastewater Management</li> <li>Waste and Hazardous Materials Mgt</li> <li>Biodiversity Impacts</li> </ul>	



## CROSS-REFERENCING ON GLOBAL STANDARDS

Themes	Material Topics	SEC	GRI	SASB	IR Framework
Human Capital/Employee Management	<ul style="list-style-type: none"> <li>Employee Health and Well-being</li> <li>Compliance to Labor Standards</li> <li>Training and Development</li> <li>Diversity and Equality</li> </ul>	<ul style="list-style-type: none"> <li>Labor Management Relations</li> <li>Workplace Conditions, Labor Standards and Human Rights</li> </ul>	<ul style="list-style-type: none"> <li>401 Employment</li> <li>402 Minimum Notice periods regarding operational changes</li> <li>403 Health and Safety</li> <li>403-Worker training on occupational health and safety</li> <li>403-9 Work-related injuries</li> <li>404 Training and Education</li> <li>417 Marketing and Labeling</li> <li>418-1 Customer Privacy</li> <li>413 Local Communities</li> </ul>	<p><b>Human Capital</b></p> <ul style="list-style-type: none"> <li>Fair Labor Practices</li> <li>Employee health, safety and wellbeing</li> <li>Compensation and benefits</li> <li>Recruitment, development and retention</li> </ul> <p><b>Social Capital</b></p> <ul style="list-style-type: none"> <li>Access and Affordability</li> <li>Data security and customer privacy</li> <li>Customer welfare</li> </ul> <p><b>Governance and Leadership</b></p> <ul style="list-style-type: none"> <li>Accident and Safety Management</li> <li>Fair disclosure and labelling</li> <li>Fair marketing and advertising</li> <li>Community Relations</li> </ul>	<ul style="list-style-type: none"> <li>6-Capital Approach</li> <li>8 Content Elements                             <ul style="list-style-type: none"> <li>Organizational overview and external environment</li> </ul> </li> <li>Governance</li> <li>Business model</li> <li>Risks and opportunities</li> <li>Strategy and resource allocation</li> <li>Performance</li> <li>Outlook</li> <li>Basis of presentation</li> </ul>
Customer Mgt	<ul style="list-style-type: none"> <li>Marketing and Labeling</li> <li>Customer Privacy</li> <li>Customer Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Customer Privacy</li> <li>Data Security</li> </ul>			
Community Engagement	<ul style="list-style-type: none"> <li>Local Communities: Partnerships and Development Programs</li> </ul>				
Governance	<ul style="list-style-type: none"> <li>Governance Policies</li> <li>Board Composition and Responsibilities</li> <li>Risk Management</li> <li>IT/Digitalization</li> </ul>	<ul style="list-style-type: none"> <li>Legal &amp; Compliance</li> <li>Governance Disclosures</li> </ul>			

Moving forward in the next reporting year, the corporate, departmental and individual scorecards will be updated on a regular basis, as a tool for performance management and improvement. Although still a work in progress, these exercises seek to embed and implement CLI's sustainability priority areas in every step of the real estate development process.

### STATEMENT OF COMMITMENT FOR SUSTAINABILITY

Cebu Landmasters, Inc. fully recognizes the economic, social and environmental impacts of real estate development and the importance of sustainability in delivering its vision to become the most customer-centric and community-focused organization in the Visayas and Mindanao regions.

The company commits to create long term value for the business and its stakeholders by driving innovation and improving the lives of its employees, customers and communities while striving to manage its impacts to the environment and society responsibly, ethically and with transparency and accountability.

To achieve this, CLI commits to

- Identify global and local economic, environmental, social and governance (EESG) issues, trends and impacts that are most relevant to the business and its stakeholders
- Drive sustainability across the value chain, aligning programs with business strategy, risks, opportunities and stakeholder interests
- Measure, manage, communicate the company's performance and progress in minimizing environmental and social impacts
- Adhere and comply with all applicable regulatory requirements

- Continually improve channels of engaging employees, customers, suppliers, investors, community partners and other stakeholders to manage their expectations, consider their perspectives and address their concerns.
- Develop a culture of sustainability across the entire organization at all levels and allocate needed resources to support sustainability capability-building programs
- Conduct regular reviews to improve the company’s sustainability performance

## Developing CLI’s 5-Pillar Sustainability Strategy

After taking into account all risks, issues, impacts and opportunities, CLI developed its 5-pillar strategy.

CLI’s commitment in contributing to sustainable development is captured in the phrase “Creating Lasting Impact” which provides an overarching framework for the company’s Sustainability strategy.

The company’s sustainability framework interconnects all the aspects of our operations and provides a snapshot of the company’s EESG profile. It defines our sustainability vision and strategy, goals and objectives, and their alignment with the Sustainable Development Goals (SDGs).

We identified five (5) pillars on which CLI’s operations are best able to have impact. These pillars, arising from our issues and risks, are aligned with important EESG metrics that allow us to achieve our goals.

CLI’S 5-PILLAR SUSTAINABILITY STRATEGY

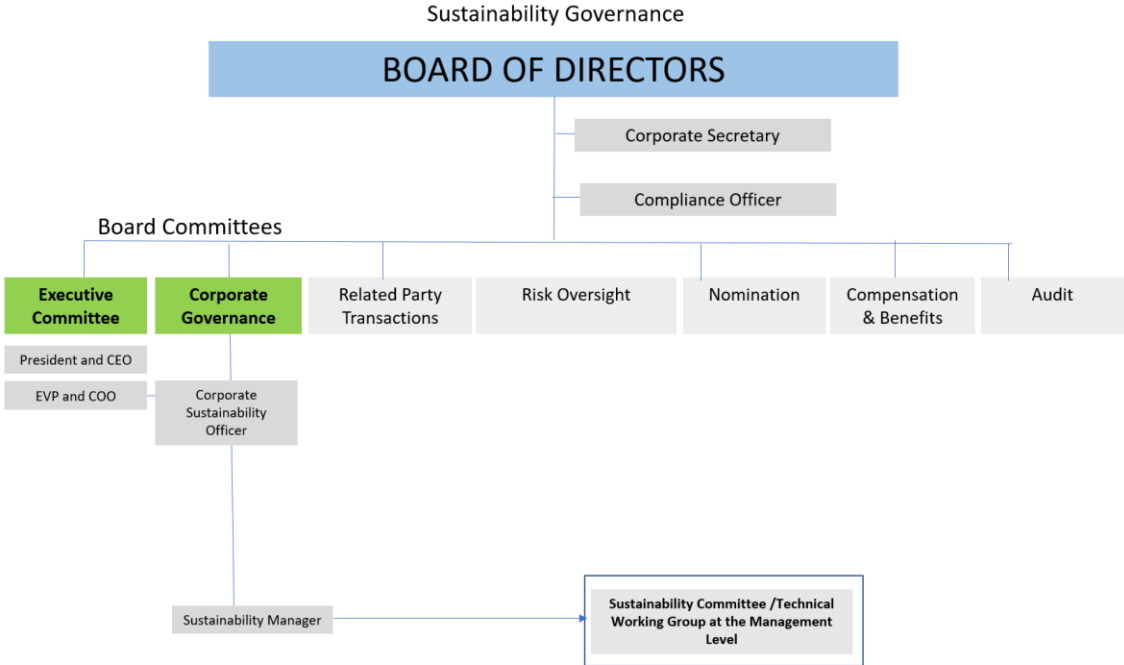


**SUSTAINABILITY GOVERNANCE**

**DELEGATING AUTHORITY | HIGHEST GOVERNANCE BODY’S ROLE IN SUSTAINABILITY REPORTING**

**GRI 102-19 / 102-32**

Sustainability at the board level rests on the Corporate Governance Committee that provides oversight on the Company’s sustainability programs. This ensures that the Company delivers its commitment to sustainability performance targets and that impacts to climate-related risks and opportunities on the organization’s business, strategy and financial planning are considered and reported.



**EXECUTIVE LEVEL RESPONSIBILITY FOR ECONOMIC, ENVIRONMENTAL AND SOCIAL TOPICS**

**GRI 102-20**

Each pillar in CLI’s framework is driven by a set of senior management teams who are accountable for the achievement of goals in each pillar. Collectively, the sustainability committee provides recommendations to the board through the Corporate Governance Committee on matters relating to the company’s sustainability performance targets and programs.

## SUSTAINABILITY GOALS AND MANAGEMENT RESPONSIBILITY



**The President and CEO** is the primary decision-maker on all matters affecting the company's strategy and bears ultimate responsibility for the Company's operations. The CEO has delegated operational responsibility to the Chief Operating Officer (COO).

### **Chief Operating Officer and Executive Vice President as the Chief Sustainability Officer**

The Chief Operating Officer serves as the Chief Sustainability Officer (CSO). He drives the Company's sustainability objectives, strategies and programs.

### **CROSS-FUNCTIONAL TEAM APPROACH**

#### **Sustainability Manager and the Sustainability Committee across the Value Chain**

The Sustainability Manager reports to the COO/CSO and leads the company's Sustainability Committee at the management team level composed of representatives of all units/ departments. All units across the company are accountable for one or more sustainability aspects of our operations, hence the formation of the Sustainability Committee. The Sustainability Manager is responsible for collaborating with all departments in the development of the sustainability framework, performance metrics and programs.



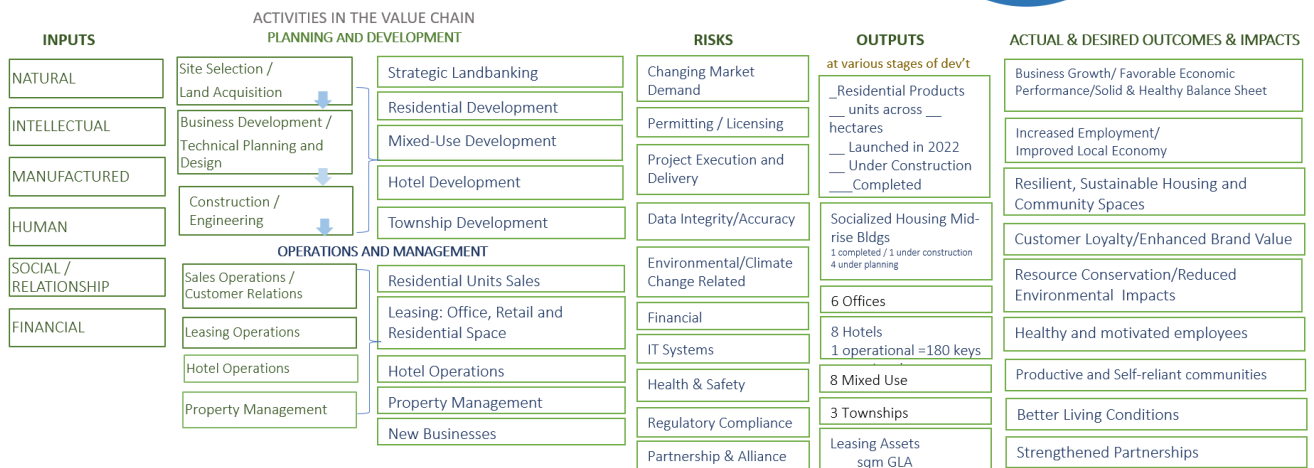
**VALUE CREATION PROCESS | KEY BUSINESS ACTIVITIES**  
**IR | GRI 102-2**

**How CLI Creates Value:** With CLI’s business of property development and operations management, the company uses its capitals as inputs, while managing its risks, as it executes its strategies and conducts its key business activities to develop real estate products of enduring value for its stakeholders.

**CLI VALUE CREATION PROCESS**

**CAPITALS**  
The resources the company uses and the relationships that are affected by its operations

**KEY BUSINESS ACTIVITIES & KEY RISKS AND OPPORTUNITIES**  
across the value delivery chain



## **CONTRIBUTING TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS**

Each section of this Integrated Report reflects CLI's contributions to the UN SDG Goals.

### 2022 EESG Performance

based on CLI's 5-pillar strategy

## **ECONOMIC**

### **Pillar 1: Product**

#### Developing Sustainable and Resilient Spaces

##### **Risks in Product Development**

###### Land scarcity / Ability to Acquire Land

The company's future growth and development are dependent, in part, on its ability to acquire or enter into agreements to develop additional tracts of land suitable for the Company's planned real estate projects. When the company and its competitors attempt to locate sites for development, the company may experience difficulty in locating parcels of land of suitable size in locations and at prices acceptable to the company.

In the event the company is unable to acquire suitable land at acceptable prices, with reasonable returns, or at all, its growth prospects could be limited and its business and results of operations could be adversely affected.

##### **Management approach**

As a real estate developer that has keen understanding of its market in the Visayas and Mindanao regions, CLI recognizes potential development opportunities where it can enhance and add value to the land it develops for future cash flows.

The company puts focus on the best use of the land it develops based on the demand and the needs of its customers while keeping the project profitable to secure shareholder value among the company's investors.

The company emphasizes creating value by being opportunistic with investments and being judicious in its deployment of capital. Having a large land bank would necessarily mean that ample capital is devoted to holding non-revenue generating assets while incurring cost. CLI's thrust is to immediately develop a property once acquired and after completion, to quickly turn-over the same to the buyers to achieve faster financial gains and to ensure efficient use of capital.

The Company believes that its diversified product offerings that cater to a wide range of market segments from the socialized and affordable to high-end or upscale residential products, and its geographic presence in the different key cities and municipalities across the Visayas and Mindanao regions mitigate the impact. Furthermore, a majority of the company's buyers are end-users who

purchase for need rather than for investments.

### **Changing External Economic Environment**

The country, particularly the Visayas regions and some parts of Mindanao experienced a rough start in 2022 addressing the impacts of Typhoon Odette and a resurgence of COVID-19 cases due to the Omicron strain, which in part was heightened by the post-typhoon response and recovery efforts. These have partly dampened expectations for a local economic recovery after momentum picked up in the tail end of 2021.

But towards mid-2022, infections began to gradually decline and plateau, restrictions were relaxed, areas hit by Typhoon Odette started to recover, the government slowly transitioned the country back to almost pre-pandemic and pre-typhoon normalcy. This allowed the reopening of borders and economies and a continued stream of remittances from overseas Filipino workers which fueled more investments in real estate developments.

#### **Philippine Peso Falling to Record Low**

The value of the Philippine Peso falling against the US dollar exchange rate has caused higher prices of goods, services and fuel while it has affected interest rates, property values and rental rates. As the Peso depreciates, the Filipinos' purchasing power weakens. This may significantly affect the movement of real estate products targeted to the local market.

### **Opportunities**

Despite these external economic conditions, the post-pandemic/ post-typhoon Odette reality has continued to fuel the need for quality, structurally-sound and resilient yet affordable housing. The Company took advantage of an uptrend in property acquisitions especially in housing units as buyers felt the need for home ownership, and this time with better financial capabilities after mobility restrictions were relaxed and economies were opened. In addition, an opportunity to cater to overseas Filipino workers was apparent in view of the depreciation of the Philippine Peso which has increased the amount of money sent to families by dollar-earning citizens, allowing more Filipinos to acquire real estate products.

## **REAL ESTATE PRODUCTS (based on Development Stage)**

### **I. Completed Projects**

To date, the company has **38** completed developments: vertical and horizontal residential, mixed use, office, hotel and retail products as follows

- **32** Residential Projects
- **3** Office buildings with retail spaces  
With an average rental occupancy of 48% (up by 7% versus the previous year)
- **1** Mixed use (Baseline Retail)
- **1** Hospitality (Citadines Cebu)
- **1** Township (DGT)

### **II. Projects under Construction**

As of yearend 2022, CLI has **71** projects under construction across 16 sites in the VisMin regions, with the following breakdown:

- **48** Residential projects

Total of **22,361** units with **87%** take up

Total project value of **P80.7 billion**

- **9** Hospitality projects to boost up hotel business
- **9** Mixed-use
- **3** Office
- **2** Townships

### **III. Newly launched and Pipeline Projects in 2023**

- Projects Launched: 16
- Residential Units launched: **4,690** residential units
  - **40% or 1,889 units in the economic housing category**
- Pipeline projects: 35 over the next two years:
  - 29 residential projects
  - 1 Office Condominium
  - Lots and Commercial Spaces

### **Summary of Developments per Product Type**

#### **RESIDENTIAL**

The Company's residential developments make up a majority of the company's product portfolio to address the demand for quality, yet value-for-money housing developments.

- 80 residential projects in various stages of development
  - Socialized Housing – Villa Casita
  - Economic – Casa Mira
  - Mid-market- Garden Series
  - High-end – Premier Masters
- 33,0779 units (91% sold with a total sales value of P89.86 Billion)
- Project Value: P103.68 Billion
- Total land area of 200.82 hectares

#### **RENTAL PRODUCTS: OFFICE AND RETAIL SPACES**

- Total current leasing asset: **>30,006 sqm GLA**
- Total GLA Under construction: 47,000 sqm

#### **HOTELS**

- **1 operational** – 180 rooms
  - 71% year-on-year growth in revenue
- **9** Under construction (with management agreements)

The market has continued to respond positively and based on the market study conducted by Colliers international, CLI is positioned as the top residential developer in the Visayas and Mindanao regions in 2022 with the largest market share. CLI has remained dominant in the residential market with 21% over all residential share in net take-up value.



Cebu Landmasters continues to grow as it diversifies its portfolio of residences, offices, retail spaces, hotels, mixed-use developments, and townships spanning Visayas and Mindanao.

## **ECONOMIC**

### Pillar 2: Profit and Progress

#### Growing the Business and Supporting Local Markets

#### **ECONOMIC PERFORMANCE | DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED** **SEC - GRI 201-1**

As a result of its primary operations, direct economic value generated in the form of revenues and distributed in the form of:

- 1) Payments to employees - these are salaries and benefits paid to the Company's human capital, being its most valuable asset in the value creation process.
- 2) Payments to contractors and suppliers - these are payments for goods received from suppliers and contracted services by construction companies.
- 3) Dividends issued to providers of capital or stockholders and Dividends are paid based on the earnings, cash flow and financial condition of the Company after considering future capital expenditures and project requirements. Issuance of dividends is assessed and approved by the board of directors.
- 4) Interest payments to loan providers - these are closely monitored and being made in line with the agreed payment terms and schedule between the banks and the Company.
- 5) Community investments – these are contributions made by CLI to its partner communities and external publics in various areas such as community infrastructure, housing, education, disaster and pandemic response, youth development, arts, heritage and culture, environment initiatives and other program partnerships implemented through the Cebu Landmasters Foundation, Inc., the Company's vehicle to pursue its corporate social responsibility agenda.

## SEC | GRI 201-1: Economic Performance | Economic Value Generated and Distributed

Direct Economic Value Generated and Distributed	2021	2022	Variance %
<b>Total Economic Value Generated (Revenues)</b>	<b>11.16</b>	<b>15.66</b>	40%
<b>Total Economic Value Distributed</b>			
a. Operating costs	1.95 Billion	2.37 Billion	22%
b. Employee wages and benefits	0.43 Billion	0.52 Billion	21%
c. Payments to suppliers and contractors	7.13 Billion	7.62 Billion	7%
d. Dividends given to stockholders and interest payr to loan providers	0.48 Billion	0.60 Billion	25%
e. Interest payments to loan providers	1.49 Billion	1.93 Billion	30%
f. Taxes paid to government	0.43 Billion	1.16 Billion	170%
g. Investments to community (contributions)*	0.01 Billion	0.01 Billion	0%
h. Commissions (brokers and sellers)	0.73 Billion	0.85 Billion	16%

## CLIMATE RELATED FINANCIAL RISKS AND OPPORTUNITIES

### FINANCIAL IMPLICATIONS & OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE

#### SEC - GRI 201-2

#### Impact

The Philippines ranks the third most disaster-prone country in the World Risk Index. It is one of the most vulnerable to climate change impacts. Because of this, the country is most often exposed to typhoons, flooding and landslides. Typhoons making landfall in the Philippines have steadily increased and in greater intensity. The company recognizes that these impacts affect the Company's business operations, its financial performance and its stakeholders.

#### Management Approach to Climate Resilience

The Company, therefore, commits to increase awareness of the impacts of climate change and strives to improve assessment of climate-related risks, including the development of appropriate mitigation and adaptation strategies.

From the lessons learned and felt following Typhoon Odette that hit Cebu and other parts of VisMin, CLI revisited and reassessed its key risks, placing environmental and safety among the top risks. The company further enhanced its business continuity plans. Considering CLI's businesses are located in areas that are impacted by climate change, the company conducted reviews in its design development, construction and property management plans, policies, and programs. These enhance the company's system to reduce, avoid or offset potential adverse environmental effects of developmental activities while minimizing risks and impacts brought about by climate change.

In 2022, the company formed a Disaster Risk Management Team, established a Disaster Command Center and created a Corporate Center Emergency Response Team, with a documented Disaster Risk Reduction and Management Manual and Policy. Disaster management learning sessions and workshops

were conducted from the management committee and departments, while training sessions were organized for the members of the Emergency Response Teams. These include: a) Basic emergency preparedness and response b) basic patient assessment and basic life support and c) Table top exercise on fire emergency response.

Some of the outputs of the sessions include the company's emergency response procedures and guidelines, incident reporting and management procedures and project emergency preparedness and response plan for typhoons applicable to construction sites.

#### **On Design Development**

In 2022, the company's Technical Planning team for residential projects reviewed and enhanced the design on roof framing to withstand higher wind velocity above 300 kilometers per hour. This move considered lessons learned from the Typhoon Odette, the impacts of which were mostly felt even in the early months of 2022.

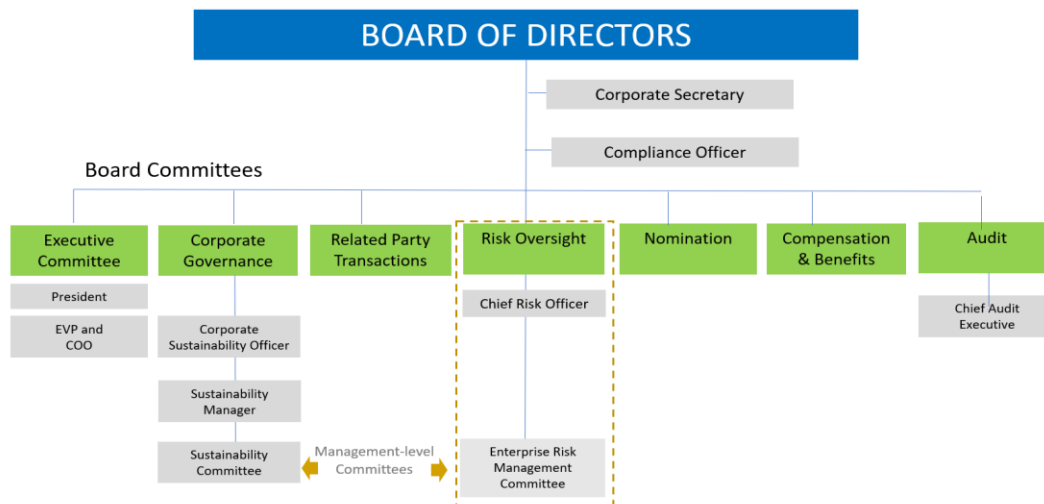
For open space requirement, the company allocated more than the prescribed open space mandate for vertical and horizontal projects to allow residents to enjoy the outdoors for leisure activities. This benefits mental and physical wellbeing. Increased area for open space serves as refuge areas for evacuation during disasters. In addition, adoption of alternative energy sources such as solar panels has been considered for common space lighting and utilities. This is part of the company's resource conservation program across projects.

#### **Board Oversight**

CLI established a Risk Oversight Committee at the board level (ROC) chaired by an independent director to advise the Board on high level risk-related matters (i.e. climate-related risks, risk appetite, risk governance and internal controls.) This committee oversees the development and maintenance of a robust risk management framework through regular monitoring and review of the systems of internal control and compliance.

Through the committee's regular meetings, risks and opportunities are identified and action plans are discussed to ensure that risks are appropriately mitigated and opportunities are exploited.

Governance/Board's Oversight and Management of  
CLIMATE-RELATED RISKS AND OPPORTUNITIES



## MARKET PRESENCE

### GRI 202 Minimum Pay Ratio

Disclosure	2021	2022
Relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.	CLI's entry-level wage vs. local minimum wage <u>14%</u> higher	CLI's entry-level wage vs. local minimum wage <u>23%</u> higher

### GRI 202-2

Disclosure	
a. Percentage of senior management at significant locations of operation that are hired from the local community.	<u>78%</u> of management committee members are hired from the local community
b. The definition used for 'senior management'.	Senior management refers to executive level members of the management committee (Assistant Vice President, Vice President, Senior Vice President and Executive Vice President and President)
c. The organization's geographical definition of 'local'.	Cebu and other key cities in the Visayas and Mindanao where CLI's operations are located

## **INFRASTRUCTURE INVESTMENTS**

### **GRI 203-1\***

- **Commercial:** Development of diverse product lines: residential units for sale, office and retail spaces for lease and hotels and townships (commercial)
- **Pro-bono:** Provision of roads (widening and repairs), a public market (Lahug, Cebu City), a transport terminal (Guadalupe, Cebu City), drainage repairs and enhancement (various areas in VisMin)

*\*Detailed discussion is found in the Business/ Operations Review Section*

## **SIGNIFICANT INDIRECT ECONOMIC IMPACTS**

### **GRI 203-2 \***

- By developing well-planned, accessible, inclusive and resilient spaces, CLI has helped transform the landscape of the locality where its products are built. In the process, the Company has helped spur economic activity in the area.
- The Company has provided access to affordable housing by developing products for the low-to-medium income markets
- CLI has supported thousands of jobs in the project development cycle by sourcing talent, services and materials locally.

*\*Detailed discussion can be found under Pillar 4 – Local Community Engagement*

## **PROCUREMENT PRACTICES**

Cebu Landmasters' extensive knowledge and experience of the local markets, strong relationship with the local experts such as contractors, government, advisers and other suppliers enabled CLI to be a preferred partner of these institutions.

### **Impact**

Cebu Landmasters recognizes the importance of the role of its suppliers and contractors as the Company develops products and provides services for its customers. The Company relies on various general and specialty independent contractors with both local and national expertise and experience to provide various services for the company's development needs. The quality of products provided by CLI are highly dependent on the quality of inputs obtained from suppliers and service providers.

### **Management Approach and Responsibility**

The procurement of goods and services is centralized at the Company's headquarters and is performed and designated as follows: Supply Chain Management Department for goods and Engineering department for contracted services. CLI has established a contractor and supplier pre-qualification process to conduct due diligence and ensure contractor and supplier legitimacy and performance capabilities as well as to confirm that these vendors meet the company's acceptable standards including code of conduct, workplace and facility standards, human rights and the environment.

Through a pre-qualification and bidding procedure, the Company obtains construction materials and services from third-party local and national suppliers who fulfill the Company's stringent quality requirements. The company selects suppliers who can deliver the best value at the highest quality and at

the lowest cost and can provide safe and on-time delivery, and has the ability to adapt and innovate in order to suit the company's needs. Simultaneously, the Company has the appropriate internal controls, organizational structure, and financial sustainability to ensure the supplier's continued delivery as contracted.

**Below is the Company's existing supplier accreditation process:**

1. Compliance to Regulatory Requirements.  
All suppliers and contractors intending to do business with CLI must apply for accreditation through submission of the following but not limited to: a) Company Profile, b) Business Permit/Mayor's Permit c) BIR Form 2303; d) PCAB License; e) SEC/DTI Registration (or COR) f) Articles of Incorporation/GIS; g) DOLE Certificate
2. Appraisal - CLI shall appraise all suppliers applying for accreditation. They will be assessed on their Capability (project portfolios), Financial stability (Audited Financial statements) and Liquidity (Bank statement).
3. Review and Evaluation - All accredited suppliers shall be included and maintained in the supplier information database and will be reassessed regularly to ensure compliance and delivery.

**Risks**

The risk associated in construction or project execution is when the contractor is not able to deliver within the expected timeframe and within budget which causes higher construction costs. In addition, contractors may not meet the Company's quality standards revealing defects and high rectification costs

**Management Approach to Address Risks**

The Company engages contractors to do land development and project construction on a per-project basis. While CLI used to outsource architectural and engineering services for all its projects, the Company began undertaking engineering and architectural design to be developed internally allowing the Company to save on costs.

The Company takes on an active role as project managers in supervising each phase of the construction of its projects, through its Engineering Department. Furthermore, CLI implements a procurement policy that requires at least three proposals from different bidders to obtain the best price without sacrificing quality. In addition, the Company has established a policy on monitoring contractor and supplier's performance as the basis for developing long-term partners.

In 2022, CLI continued to review its supply chain process and policy, part of which is the supplier accreditation policy and guidelines. Continuing sessions will be conducted towards the following year to include changes in the contracts to reflect social criteria such as human rights, forced labor and child labor. In addition, the Company is in the process of drafting a consolidated vendor accreditation procedure for both the Supply Chain and Engineering Departments. An enhancement in the monitoring of suppliers developed by the company's supply chain department is the tiering of suppliers based on total purchase amount. This will be considered as one basis for the guidelines that will be required of the suppliers for compliance.

The Company does not foresee shortage in raw materials or services for its operations as it establishes

strong partnership with various stable and resilient suppliers and contractors.

**Opportunities**

To enhance CLI’s procurement practices, the Company may consider reviewing bidding/ procurement procedures, and identifying sustainability areas that need to be included in supplier contracts/ agreements such as environmental data monitoring, human rights compliance and social assessments. These can be covered in any of the following procedures: a) supplier performance evaluation, b) supplier accreditation c) renewal of contracts d) bidding.

**LOCAL SOURCING / PROPORTION OF SPENDING ON LOCAL SUPPLIERS**

**GRI 204-1**

Management deliberately favors local talents, suppliers, contractors and home-grown businesses which get the large share of CLI’s spending.

In 2022, the Company paid a total of P7.62 billion in supplies and contracted services of which more than 70 percent was paid to Filipino-owned businesses in the Visayas and Mindanao regions where CLI’s operations are located.

CLI continues to strengthen its partnership with local suppliers by patronizing their products and services. This includes design services and construction work packages such as civil, electrical, plumbing, fire protection, architectural works, and other specialty services.

<b>SEC   GRI 204-1</b>	<b>2021</b>	<b>2022</b>	<b>Units</b>
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers – Visayas & Mindanao	70%	74%	%
Percentage of procurement budget used for significant locations of operations that is spent on women or members of vulnerable sectors*	not monitored	not monitored	%

Total vendors engaged as of December 31, 2022 reached 793 of which 74% come from the Visayas and Mindanao regions, while 25% come from Luzon and 1% foreign suppliers.

\*Opportunity: CLI to explore setting up a system to monitor spending on women / vulnerable sector that are part of the supply chain

**ANTI-CORRUPTION**

**SEC | GRI 205**

The Company has a written policy on anti-graft and corruption. The policy is reflected in the code of business conduct which is communicated to the employees during the onboarding process. Furthermore, all employees are given periodic reminders and updates on the code of conduct to ensure that these are being observed.

### GRI 205-2

Disclosure	Quantity	Units
Percentage of employees 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	%

### Incidents of Corruption

### GRI 205-3

Disclosure	Quantity	Units
Number of incidents in which directors were removed or disciplined for corruption	0	Number
Number of incidents in which employees were dismissed or disciplined for corruption	0	number

## ANTI-COMPETITIVE BEHAVIOR, ANTI TRUST AND MONOPOLY PRACTICES

### GRI 206 - 1

Disclosure	Quantity	Units
Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant	0	number

## ENVIRONMENT

### Pillar 3: Planet

### Conserving Resources and Managing Environmental Impacts

#### Impacts

CLI recognizes its dependence on natural resources to operate, and the environmental impacts that result from business activities. The company's ability to build residential, retail, townships, offices, hotels and resorts that benefit customers relies on being able to access materials, water, and energy in the long term. Hence the need to balance business productivity with resource conservation.

#### Management Approach

The company has developed a monitoring system to establish baseline data on our energy, water, and materials used. This system involves different departments for different sites. Our Human Resources and Admin Departments monitor water and energy use in corporate offices, showrooms, and staff houses. The Property Management Department tracks resource use in managed properties, while the Engineering Department monitors usage in projects under construction in coordination with contractors. The Engineering Department also tracks contractor-supplied materials and the Supply Chain Management Department takes note of owner-supplied materials.

#### Opportunities



Monitoring provides data that enables the company to make informed decisions on resource management. Tracking resource use provides the means to manage and reduce consumptions. Baseline data on energy, water and materials will be analyzed and used for setting of reduction targets and decision making in the proper management of these resources. Resource conservation measures are introduced, cascaded and implemented in the areas with significant use of energy, water and materials.

CLI seeks to continue to track and conserve resource consumption and manage its environmental impacts. The diagram below summarizes the Company's resource use and impacts.

As CLI embeds sustainability into the core of its operations, development of resource conservation programs and reduction targets is one of the major deliverables reflected in the corporate and departmental scorecards.

## **MATERIALS**

### **GRI 301**

#### **Impacts**

CLI is cognizant of its environmental impacts, and makes an effort to minimize and mitigate them. CLI's business requires a significant volume of non-renewable construction materials to develop quality residential, office, retail, hotels, mixed-use and township projects. These materials comprise sand, gravel, cement, rebars, and glass – all of which have considerable impacts. For instance, mining raw materials to produce glass, steel, and cement impacts land, water and air quality, and biodiversity. It is especially important to conserve mineral resources, given the particularly limited limestone deposits in the country.

#### **Risks**

The scarcity of materials is a major threat, such that it influences the cost of materials and affects industry competitiveness. Scarcity may be a concern in times of disaster and natural calamities when demand for materials increases dramatically or when suppliers experience manpower shortage. Global issues can also trigger local price fluctuations, especially for heavily imported resources such as fuel.

#### **Management Approach**

CLI has implemented processes and systems to monitor materials use. The Company coordinates with contractors to continually improve project execution and introduce best construction practices to improve materials efficiency while delivering product quality and durability.

#### **Opportunities**

CLI can potentially reduce costs on materials that make up the largest portion of our project spending such as steel and cement. Managing impacts also helps the company remain resilient to external risks that can affect project execution and delivery. The company aims to continue monitoring and managing the use of construction materials, and consider other ways to be more efficient in using them such as exploring renewable or alternative materials.

## **MATERIALS USED BY WEIGHT OR VOLUME**

### **GRI 301-1**

#### **Non-renewable Materials**

<b>YEAR</b>	<b>MATERIALS</b>	<b>CONTRACTOR SUPPLIED</b>	<b>OWNER SUPPLIED</b>	<b>TOTAL</b>	<b>% variance</b>
2020	Sand (cu.m)	not recorded	N/A	0	
	Gravel (cu.m)	not recorded	N/A	0	
	Cement (cu.m)	not recorded	29,530,080	29,530,080	
	Rebars (kg)	not recorded	7,317,105	7,317,105	
	Glass (sq.m)	not recorded	N/A	0	
2021	Sand (cu.m)	54,210,173.00	N/A	54,210,173	
	Gravel (cu.m)	38,913,266.00	N/A	38,913,266	
	Cement (cu.m)	56,691,158.47	96,201,820	96,201,820	
	Rebars (kg)	62,378,652.15	10,453,282	10,453,282	
	Glass (sq.m)	38,450.00	N/A	38,450	
2022	Sand (cu.m)	2,070,759.46	N/A	2,070,759	-96%
	Gravel (cu.m)	2,155,468.65	N/A	2,155,469	-94%
	Cement (cu.m)	42,554,685.36	98,399,840	98,399,840	2%
	Rebars (kg)	16,437,183.91	31,517,780	31,517,780	202%
	Glass (sq.m)	93,274.00	N/A	93,274	143%

## **ENERGY**

### **GRI 302**

#### **Impacts**

CLI's business activities depend on energy. Both fuel and electricity are used in corporate and satellite offices, commercial operations, construction projects and managed properties. The company purchases gasoline and diesel to operate generator sets during power outages or in construction sites without power lines and for heavy equipment or in the corporate and satellite offices for vehicle use.

#### **Risks**

CLI tracks risks that may be encountered as it consumes energy for its business operations. The company's current dependence on traditional electricity sources is viewed as a concern. Coal, a non-renewable resource, remains to be the major source of electricity for the entire country. The lack of coal supply in the future poses a risk to the company's operations, particularly in Cebu and Davao where the major power distribution facilities are located such as Visayan Electric Company (VECO) and Davao Light and Power Company (DLPC). Although there are renewable energy sources supplying the Cebu, Negros, Panay (CNP) grid, these are prone to natural hazards such as earthquakes and can trigger major power supply disruptions. Additionally, the increasing population in urban areas and the lack of committed installation of new power sources can also result in energy shortages in the Visayas and Mindanao regions.

#### **Management Approach**

Direct energy use includes fuel used to run vehicles and power generator sets during power interruptions or in construction sites without power lines. Direct energy is also generated from fuel used by company vehicles for official business purposes. The Company purchases the bulk of its Indirect energy requirement from the power utility company, VECO and DLPC and other providers in the VisMin Areas. The Company's Admin Department, and the various project contractors monitor energy consumption in their respective sites (corporate offices and construction projects).

The Company's property management arm, CLI PM consistently monitors and implements energy in residential and commercial properties. Among these practices include: a) Careful selection of efficient mechanical AHU systems and brands; b) HVR devices are encouraged with policy-driven utilization and installation which aims to drive operational costs to minimum levels; c) compliance to policies and standards which are extended to tenants, locators and industry partners to adhere to the Company's advocacy of green building design to maintain our rating.

### Opportunity

To mitigate risks on energy supply from various sources, the Company plans to explore the use of renewable energy sources in its operations.

## A. DIRECT ENERGY: FUEL CONSUMPTION – CORPORATE & SATELLITE OFFICES AND SHOWROOMS MONITORED BY HR-ADMIN

### GRI 302-1

Disclosure: Total gasoline and diesel fuel consumption within the organization: Fuel used for employee shuttle service, company vehicles, and other vehicles used for official business purposes

Direct Energy Consumption	In liters*						In GJ**				
	2019	2020	% change	2021	% change	2022	% change	2019	2020	2021	2022
Fuel used for employee shuttle service and company-owned vehicles	1,775.08	6,325.17	256.33%	6,234.45	-1.43%	33,482.22	437.05%	64.61	230.24	226.93	1,247.75
Fuel used for other vehicles used for official business trips	26,841.72	37,092.63	38.19%	43,457.78	17.16%	12,321.69	-71.65%	977.04	1,350.17	1,581.86	453.18
<b>Total</b>	<b>28,616.80</b>	<b>↑43,417.79</b>	<b>▲ 51.72%</b>	<b>↑49,692.23</b>	<b>▲ 14.45%</b>	<b>↓45,803.91</b>	<b>▼ 7.82%</b>	<b>1,041.65</b>	<b>↑1,580.41</b>	<b>↑1,808.80</b>	<b>↓1,700.93</b>

1.) For the conversion of liters of diesel to GJ, the energy content of diesel (38.6 MJ/L) is a commonly used value based on the lower heating value of diesel.

2.) To convert liters of gasoline (also known as unleaded petrol) to Gigajoules (GJ), we need to know the energy content of gasoline. The energy content of gasoline varies depending on the octane rating and other factors, but a commonly used value is 34.2 Megajoules (MJ) per liter of gasoline. This values can be found in various sources, such as the European Commission's Joint Research Centre (JRC) reference report "Fuels for heating and power generation - Technical Report", which is available at the following link: <https://ec.europa.eu/jrc/en/publication/fuels-heating-and-power-generation-technical-report>.

## B. INDIRECT ENERGY/POWER CONSUMPTION – CORPORATE & SATELLITE OFFICES AND SHOWROOMS MONITORED BY HR-ADMIN

### GRI 302-1

Disclosure: Energy Consumption within the Organization – Electricity consumption at Corporate/Satellite Offices and Showrooms

Indirect Energy Consumption	In KWh*				In GJ**			
	2019	2020	2021	2022	2019	2020	2021	2022
<b>Total</b>	269,439.30	↓260,724.50	↑466,974.99	↑586,602.83	969.95	↓938.58	↑1,681.06	↑2,111.77
	2 offices	4 offices	7 offices	10 offices				

This conversion factor is also widely accepted and used in various sources, including the International System of Units (SI) and the United States Department of Energy, wherein 1000 kWh of energy is equivalent to 3.6 GJ of energy. The following sources are found in: "SI Brochure: The International System of Units (SI)" by Bureau International des Poids et Mesures (BIPM), available at <https://www.bipm.org/documents/20126/4142385/SI-Brochure-9.pdf> "Energy Conversion Factors" by the United States Department of Energy and at <https://www.energy.gov/eere/femp/energy-conversion-factors>

Scope and Percentage Breakdown:

Electricity consumption at Corporate/Satellite Offices and Showrooms, in KWh

Offices/Year	2019	2020	% change	2021	%change	2022	% change
Cebu Offices	268,707.00	184,790.50	-31.23%	321,683.50	74.08%	382,530.00	18.92%
Davao Main – Paragon	N/A	22,965.00	-	33,044.60	43.89%	33,164.00	0.36%
Davao Main – MesaTierra	N/A	N/A	-	33,658.91	-	33,714.00	0.16%
38 Park Avenue Showroom	N/A	46,128.00	-	59,406.00	28.79%	35,046.00	-41.01%
Dumaguete Satellite Office	732.3	6,841.00	834.18%	9,394.98	37.33%	16,711.50	77.88%
Ormoc Satellite Office	N/A	Not recorded	-	4,761.00	-	5,689.00	19.49%
Bohol Sales Office	N/A	Not recorded	-	5,026.00	-	5,039.33	0.27%
Casa Mira Iloilo*	N/A	N/A	-	N/A	-	24,810.00	-
Mesavirre*	N/A	N/A	-	N/A	-	24,789.00	-
Mesaverte*	N/A	N/A	-	N/A	-	25,110.00	-
<b>Total</b>	<b>269,439.30</b>	<b>↓260,724.50</b>	<b>-▼3.23%</b>	<b>↑466,974.99</b>	<b>▲79.11%</b>	<b>↑586,602.83</b>	<b>▲25.62%</b>

C. DIRECT AND INDIRECT ENERGY: FUEL AND POWER CONSUMPTION – MANAGED PROPERTIES AND CONSTRUCTION SITES

GRI 302-1 | GRI 302-2

Disclosure: Data on Energy Consumption in Managed Properties (Common Areas) and Construction Sites

Direct/Indirect Energy	Direct Energy (Liters)	Indirect Energy (kWh)		Direct Energy (GJ)	Indirect Energy (GJ)	
	Fuel for generator sets, in liters	Leased areas, in kWh	Common /constructed areas in kWh	Fuel for generator sets, in GJ	Leased areas, in GJ	Common areas, in GJ
1.) Managed Properties	7,505.83	9,980,325.86	2,971,505.69	289.73	35,929.17	10,697.42
%/# of properties w/ data	100% (18/18)	100% (11/11)	96% (21/22)	100% (18/18)	100% (11/11)	96% (21/22)
2.) Construction Sites	2,526,408.51	NA	3,193,780.06	96,655.90	NA	11,497.61
%/# of properties w/ data	86% (30/35)	NA	94.3%(33/35)	86% (30/35)	NA	94.3%(33/35)
<b>Total</b>	<b>2,533,914.34</b>	<b>9,980,325.86</b>	<b>6,165,285.75</b>	<b>96,945.63</b>	<b>35,929.17</b>	<b>22,195.03</b>

**WATER**  
**GRI 303**

**Impact**

Water is a vital element of the Company’s commercial operations including construction sites, office, retail and hotel facilities, which increase water demand. CLI strives to ensure availability of water for the customers’ daily needs. Because of the need for water, CLI recognizes its responsibility to use this resource as efficiently as possible.

**Risks**

The risk of water scarcity or unavailability of clean water supply is evident. With the rate of groundwater extraction versus slow aquifer recharge that is also caused by deforestation, there is an increased likelihood of water shortage. This is also due to population increase that will continue to exert pressure on the groundwater as more withdrawals are made.

**Management Approach**

CLI, through its property management arm and through its contractors implements measures to reduce water consumption in its facilities such as water saving fixtures in restrooms. In addition, it educates its employees and customers on the value of water conservation.

**Opportunity**

The Company aims to increase water usage efficiency and rainwater collection and storage capacity without disrupting its current operations. There is a need to promote and implement water-saving measures, rainwater collection particularly in horizontal developments and in the future, explore development of water percolation ponds or other catchment areas that can capture a significant quantity of water to provide for the Company’s needs.

**GRI 303-3 / 303-5**

Disclosure: Data on water consumption in managed properties and construction sites in 2022, in cu. m.

Source	Ground water (2021)	Ground water* (2022)	% Variance	MCWD / Third Party Water Provider**						
				Leased areas (2021)	Leased areas* (2022)	Common or Constructed areas (2021)	Common or Constructed areas* (2022)	Sub-total (2021)	Sub-total* (2022)	% Variance
Managed Properties	465,298.95	491,981.50	5.73%	159,602.10	517,334.46	97,471.05	126,408.82	257,073.15	643,743.28	150.41%
(# of properties with data)	78% (7/9)	100%(13/13)	-	100% (11/11)	100% (20/20)	100% (11/11)	80% (16/20)	-	-	-
Construction Sites	N/A	516,850.18	N/A	N/A	N/A	446,034.80	813,619.34	446,034.80	813,619.34	82.41%
(# of projects with data)	N/A			N/A	N/A	74%(26/35)	69%(20/29)			
Corporate Offices	N/A	N/A	N/A	N/A	N/A	1,173,265.58	2,473,659.19	446,034.80	2,473,659.19	454.59%
						Cebu Offices Only	100%(9/9)	-	-	-
<b>Total</b>	<b>465,298.95</b>	<b>↑1,008,831.68</b>	<b>▲ 116.81%</b>	<b>159,602.10</b>	<b>↑517,334.46</b>	<b>1,716,771.43</b>	<b>↑3,413,687.35</b>	<b>1,149,142.75</b>	<b>↑3,931,021.82</b>	<b>▲ 242.08%</b>

## **EFFLUENTS**

### **Impact**

CLI recognizes that the immediate effect of wastewater on the environment is when it contributes toward the contamination of bodies of water and of natural habitats that may be exposed to harmful chemicals if wastewater discharged is not treated.

### **Management Approach**

The company minimizes effluents by designing and incorporating in its facilities wastewater treatment system in its residential, commercial, office, hotels and project sites. On the average, 80% of water used in managed properties is treated before discharge, while the rest are used for irrigation and similar activities.

For residential subdivisions, domestic wastewater or sewage goes into a septic tank for a basic sewage treatment through the process of biological decomposition and drainage. A total of 1,46920.92 cu.m. of wastewater was treated through this system and discharged to receiving bodies of water with classification appropriate for the quality of the wastewater discharged.

### **Opportunities**

The Company is exploring the setup of a dual piping system for potable and non-potable water in vertical projects. Wastewater goes through a separate system for wastewater treatment. Treated wastewater also referred to as 'gray water' is then reused for flushing or irrigation. This will help reduce water consumption in managed properties.

Disclosure: Total wastewater treated and discharged in cu. m.			
Description	2021	2022	% Variance
Wastewater treated and discharged*	157,938.31	146,920.92	-↓6.98%
No. of managed properties with reports	100% (10/10)	73% (8/11)	

## **BIODIVERSITY**

### **GRI 304**

#### **Projects with Ecosystems**

One of CLI's projects Magspeak Resort and Villas, has a natural ecosystem, a forest ecosystem in the upland area located in Brgy Magsaysay, Balamban Cebu where the project is being developed within the multi-use zone of the Central Cebu Protected Landscape, with only less than 10 percent of the total area to be built on, leaving 90 percent of the property as natural landscape.

#### **Impact**

Land development impacts biodiversity. Construction activities may have potential disturbance and damage to existing ground cover and vegetation in the area. Accidental spills and leaks may affect surface soil type, chemical composition or fertility, when not managed.

#### **Risks**

There are perceived local threats if ecosystems are not protected: overharvesting of wood by settlers in the communities or in most cases, areas become dumping grounds for solid waste.

## Management Approach

The project team created to steer the development of the 20-hectare property considers sustainability as one of the project's priority areas particularly on forest ecosystem protection, biodiversity management and enhancement, environmental education and community engagement.

Management of projects with ecosystems rests on a project team composed of Business Development, Technical Planning, Engineering with support from the Sustainability and Foundation team, particularly to engage the community for ecosystem protection and climate action while providing opportunities for livelihood and income generation. .

## Opportunities

Conduct of comprehensive ecosystem assessment is a best practice. A complete baseline data is valuable information for decision-making in matters concerning ecosystem protection, maintenance or rehabilitation. The outputs of an extensive study can provide content material for environmental education and basis for a potential community engagement program.

Resources can be allocated to establish protective buffers for and enhance biodiversity by introducing appropriate species for planting and by conducting assisted natural regeneration to boost tree growth. In the process, the social component of this initiative is taken into consideration as the Company partners with its stakeholders, particularly the farmers and fisherfolks in the local community who may benefit from the programs that will be implemented. In addition, these projects provide opportunities for environmental education and biodiversity conservation among the stakeholders in the respective communities.

Disclosure	Quantity	Units
sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas* (non-operational)	1	number
Habitats protected	19	hectares
IUCN** Red List species and national conservation list species with habitats in areas affected by operations	No data recorded; Area to be assessed for flora/ fauna in the future	For biodiversity assessment

\*The Company has 2 projects within or adjacent to biodiversity-rich areas: one is in the early stage of construction and other one is in the planning stage.

\*\* *International Union for Conservation of Nature's* Red List of Threatened Species

In 2022, ten thousand (10,000) seedlings were planted covering more than ten hectares. Native species planted include *Narra, Banaba, Mamalis, Molave, Casia Fistula, Palawan Cherry, Balete, Magtalisay, Dita, Kalumpit, and Toog*. The initiative is in partnership with Ramon Aboitiz Foundation, Inc. and the farmers from the neighboring communities under the Barangay Unity Key to Integrated Development (BUKID) Multi-purpose Cooperative.

## **EMISSIONS**

### **GRI 305**

## Impacts

Activities in project planning, development, operations and management have contributed greatly to the Company's carbon emissions. CLI's carbon footprint includes greenhouse gas emissions. These are generated from the Company's corporate offices, commercial operations (office, retail and hotel) and construction projects. These come from direct and indirect energy use. As the Company develops more real estate products, carbon emissions will increase.

## Risks

Increasing carbon emissions trigger proportionate increase in global temperature which will worsen climate scenarios. This will affect availability of water and materials, as well as increase in energy consumption. The worldwide goal is to limit temperature increase to 2°C in order to limit the significant effect on the natural ecosystems and extreme weather events. Because of the urgency on the global carbon budget, there may be a risk to regulate high carbon products.

## GRI 305-1

The Company's emissions come from energy use from corporate offices, managed properties and constructions (Scopes 1 and 2).

Scope 1 (Direct energy)	Emission factor	Consumption in Liters	GHG Emissions (kgCO <sub>2</sub> e)	GJ	No. of Projects/Properties/Offices
<b>Corporate Offices</b>		<b>45,803.91</b>	<b>111,157.94</b>	<b>1,700.93</b>	
Fuel used for employee shuttle service and company-owned vehicles (Diesel)	2.56	23,331.81	59,729.43	900.61	5/5
Fuel used for employee shuttle service and company-owned vehicles (Gasoline)	2.16	10,150.41	21,924.89	347.14	3/3
Fuel used for other vehicles used for official business trips (Diesel)	2.56	7,221.92	18,488.12	278.77	1/1
Fuel used for other vehicles used for official business trips (Gasoline)	2.16	5,099.77	11,015.50	174.41	1/1
<b>Managed Properties</b>	-	<b>7,505.83</b>	<b>19,214.92</b>	<b>289.73</b>	
1. Fuel used for Gensets (Diesel)	2.56	6,842.74	17,517.41	264.13	18/18
2.1 Fuel used for employee shuttle service and company-owned vehicles (Diesel)*	2.56	663.09	1,697.51	25.60	1/22
<b>Construction</b>	-	<b>2,526,408.51</b>	<b>6,389,108.89</b>	<b>96,655.90</b>	
1. Fuel used for Gensets (Gasoline)	2.16	196,242.26	423,883.28	6,711.49	22/38
2. Fuel used for Gensets (Diesel)	2.56	2,330,166.25	5,965,225.61	89,944.42	27/38
<b>Total</b>	-	<b>2,579,718.25</b>	<b>6,519,481.75</b>	<b>98,646.56</b>	

Scope 2 (Indirect energy)	Emission factor	Consumption in kWh	GHG Emissions (kgCO <sub>2</sub> e)	GJ	No. of Projects/Properties/Offices
<b>Corporate Offices</b>		<b>553,438.83</b>	<b>398,129.75</b>	<b>1,992.38</b>	
Purchased electricity - Luzon/Visayas grid	0.7122	494,614.83	352,264.68	1,780.61	7/7
Purchased electricity - Mindanao grid	0.7797	58,824.00	45,865.07	211.77	2/2
<b>Managed properties</b>		<b>2,948,034.69</b>	<b>2,135,115.70</b>	<b>10,612.92</b>	
Purchased electricity - Luzon/Visayas grid	0.7122	2,421,732.54	1,724,757.91	8,718.24	18/20
Purchased electricity - Mindanao grid	0.7797	526,302.15	410,357.79	1,894.69	2/2
<b>Construction</b>		<b>3,193,780.06</b>	<b>2,377,414.50</b>	<b>11,497.61</b>	
Purchased electricity - Luzon/Visayas grid	0.7122	1,670,752.76	1,189,910.12	6,014.71	26/29
Purchased electricity - Mindanao grid	0.7797	1,523,027.30	1,187,504.39	5,482.90	7/7
<b>*Energy Consumed from water extraction</b>		<b>385,367.00</b>	<b>274,458.38</b>	<b>1,387.32</b>	
Purchased electricity - Luzon/Visayas grid	0.7122	385,367.00	274,458.38	1,387.32	7/7
<b>Total</b>	-	<b>7,080,620.58</b>	<b>5,185,118.33</b>	<b>25,490.23</b>	

Scope 3 emissions come from electricity consumption of leased spaces or occupied units (owners and tenants of residential, office and retail spaces)



Scope 3 Leased areas/ Occupied units consumption)	Emission factor	Consumption in kWh	GHG Emissions (kgCO <sub>2</sub> e)	GJ	No. of Projects/Properties/ Offices
Purchased electricity - Luzon/Visayas grid	0.7122	9,213,193.61	6,561,636.49	33,167.50	9/9
Purchased electricity - Mindanao grid	0.7797	767,132.25	598,133.02	2,761.68	2/2
<b>Total</b>	-	<b>9,980,325.86</b>	<b>7,159,769.50</b>	<b>35,929.17</b>	

### GRI 305-1, GRI 305-2, GRI 305-3

Disclosure: Data on Greenhouse Gas (GHG) Emissions in Managed Properties and Construction Sites - Scopes 1, 2 and 3, in MTCO <sub>2</sub> e						
Sources of GHG Emissions	Direct GHG Emissions (Scope 1)*		Indirect GHG Emissions (Scope 2)**		Other Indirect GHG Emissions (Scope 3)**	
	2021	2022	2021	2022	2021	2022
	Use of Fuel for Generator Sets		Common Areas		Leased Areas	
Managed Properties	322.81	19.21	1.81	2,135.12	4.45	7,159.77
(# of properties with data)	95%(19/20)	100%(18/18)	95%(19/20)	91%(20/22)	50%(10/20)	100%(11/11)
Construction Sites	3,441.77	6,389.11	1.72	2,377.41	NA	NA
(# of projects with data)	74%(26/35)	77%(27/35)	69%(25/35)	92%(33/36)	NA	NA
<b>Total</b>	<b>3,764.59</b>	<b>6,408.32</b>	<b>3.54</b>	<b>4,512.53</b>	<b>4.45</b>	<b>7,159.77</b>

\*Used emission factor (EF) from World Resources Institute's GHG Emission Factors 2017 where EF for stationary combustion of gas/diesel oil is 2.676492 kgCO<sub>2</sub> per liter of fuel

\*\*\*Based on DOE National Grid Emission Factors 2017

- Luzon-Visayas grid - 0.7122 kgCO<sub>2</sub> per MWh where 1 kWh = 0.001 MWh
- Mindanao grid - 0.7797 kgCO<sub>2</sub> per MWh

### Opportunities and Management Approach

Incorporating energy efficient designs in the Company's developments help reduce energy consumptions and emissions significantly, though this has direct financial impact. Designs for CLI's office, hotel, residential and retail have LED technology specifications which reduce energy consumption. This increases the life cycle of buildings by about five times more than how traditional buildings operate.

Part of the goal is to achieve 100% LED lighting. While new projects use 100% LED, CLI's older projects are still subject to LED replacement with the Company's ongoing LED retrofitting program. This will help significantly reduce carbon emissions

### Green Design and Development

As an advocate of green building design, CLI is a member of the Green Building Council (PHILGBC) and has in-house Certified Green Building practitioners, Certified BERDE professionals that underwent stringent training and qualifying exams to ensure all green building practices are maintained to world class standards for CLI projects. Below are details of green features applied in CLI's projects.

CLI has implemented renewable energy applications in some of its projects through the use of solar panels to energize street lights on driveways, parking facility structures and on housing components mainly applied on common areas.

### **Energy efficient construction practices**

1. Heating, Ventilation and Air conditioning (HVAC) energy efficient units specified for indoor installations.
2. Technical installations of mechanical air ducts- fresh intake and source system- properly checked by 3rd party. Filters and louver of quality specs to be maintained by Property Management group.
3. Recent standards of improving Indoor air quality instituted in the operation and policy building manual. Maintaining a controlled Temp. for HVAC efficiency and longevity of equipment lifespan.
4. Heat recovery – Heat recovery ventilator (HRV) units installation in offices and tenants space is practiced and specified.

### **Use of renewable resources**

1. Solar Power- the use of solar power to power our pumps, street lights and common areas on hallways- lobbies.
2. Treated water from rain water tank- used for washing and irrigation of ground cover.

### **Environmentally friendly design features**

1. Green wall features to improve indoor air- visual quality
2. Parking for fuel efficient vehicles on CLI's establishments
3. Bike parking and facilities to support and promote this culture
4. Urban Design features- Podium Park features on projects being considered for holistic - biophilic design approach. Open spaces increased with open area activity to cater to active lifestyle (jogging, zumba, yoga and other open air exercise).

### **Use of waste prevention systems**

1. Landfill - CLI's strategy on landfill materials source is mainly on the existing excavated project earth material from one project to another. Several ongoing projects are providing this method to lessen the carbon footprint of transportation. Hauling efficiency with ideal proximity of project sites. This minimizes our need to quarry earth fill materials from other providers.
2. Material Recovery Facility (MRF) - proper waste disposal and segregation.
3. Re-use of waste water generated from domestic use. Treated water used for irrigation and landscape upkeep.

### **Low impact materials selection**

1. More organic Interior material specs- Wood/ timber or recycled materials are specified for indoor and outdoor cladding treatment.
2. The use of LOW VOC content on materials - Strictly specified on construction building manuals.

### **Design durability and lifecycle assessment**

1. CLI consults with green building materials and specialty consultants for longevity of materials and in accordance with other green building materials.

## **FEATURED PROJECT: 5-Star BERDE Rating**

One of CLI's projects that is considered as green is the Latitude Corporate Center. It is the first building in Cebu Business Park rated by Building for Ecologically Responsive Design (BERDE). It has a 20 percent green space, a plaza with a green sanctuary, a green sky lounge located at the 14th floor, and a garden deck at the 17th floor. It is an eco-friendly structure, having acquired BERDE Excellence certification. BERDE is the country's voluntary green building rating system developed by the Philippine Green Building Council.

CLI strives to achieve energy efficiency to drive both cost savings and emissions reduction. CLI has established a system to record and track its carbon emissions from its direct and indirect energy consumption, including its water consumption and solid waste generation from its operations. Data gathered will serve as a basis to target reductions and to introduce energy and water saving measures and implement programs on waste segregation and recycling.

## **ENERGY AND WATER INTENSITIES**

### **GRI 302-3**

The Company reports on the energy intensity or the energy consumption per square meter of space for residential and commercial spaces primarily on the common areas. This measures the efficiency of resource use of managed properties grouped per product line. This determines which property is more efficient than the other.

#### ENERGY AND WATER INTENSITIES

Scope and Breakdown	Indirect Energy Intensity (KWh/sq.m.)		Direct Energy Intensity (Liters/sq.m.)		Water Intensity (Cu. m./sq.m.)	
	2021	2022	2021	2022	2021	2022
<b>Average Intensity:</b>	<b>21.13</b>	<b>177.31</b>	<b>0.35</b>	<b>0.25</b>	<b>0.40</b>	<b>5.82</b>
Mixed Use/Estate/Township						
Base Line Center	21.13	177.31	0.35	0.25	0.40	5.82
<b>Average Intensity:</b>	<b>55.23</b>	<b>36.55</b>	<b>0.74</b>	<b>0.09</b>	<b>0.59</b>	<b>1.13</b>
Office Buildings with G/F Retail						
Park Centrale	98.22	46.63	1.03	0.03	0.92	1.86
Latitude Corporate Center	12.23	26.47	0.44	0.15	0.27	0.39
<b>Average Intensity:</b>	<b>23.17</b>	<b>26.15</b>	<b>0.30</b>	<b>0.08</b>	<b>0.64</b>	<b>1.46</b>
Residential (High rise/Condo)						
Asia Premier Residences	5.60	61.11	0.95	0.19	0.69	2.43
Base Line Residences	38.61	22.57	0.04	0.03	0.65	1.67
Midori Residences	27.08	16.82	0.35	0.02	0.56	0.57
Mivesa Garden Residences	31.32	20.77	0.46	0.07	1.42	2.60
Casa Mira Towers - Labangon	39.45	39.33	0.21	0.24	0.67	0.86
MesaVerte Residences	15.68	19.52	0.06	0.01	0.42	0.85
MesaTierra Garden Residences	4.45	32.22	0.01	0.03	0.10	0.12
*38 Park Avenue	NA	2.25	NA	NA	NA	NA
*Mesavirre Garden Residences	NA	20.77	NA	0.07	NA	2.60
<b>Overall Average</b>	<b>33.18</b>	<b>80.00</b>	<b>0.46</b>	<b>0.14</b>	<b>0.55</b>	<b>2.80</b>

*Properties with (\*) are new properties in 2022*

## **EMISSION INTENSITY**

CLI reports Average emission intensity across all managed properties. Average emission intensity in 2022 slightly increased.

Scope and Breakdown	Scope 1 / Direct GHG Intensity (MTCO2e/sq.m.)		Scope 2 / Indirect Energy Intensity (MTCO2e/sq.m.)		Scope 3 / Other Indirect GHG Intensity (MTCO2e/sq.m.)	
	2021	2022	2021	2022	2021	2022
Overall Average	0.001	0.000440858	0.000011	0.000452941	0.000051	0.00174648

## **SOLID WASTE MANAGEMENT**

### **GRI 306**

#### **Risks and Impacts**

Inadequate and improper disposal of waste by the hauler to final waste destinations such as the landfill may impact on land and water contamination and emissions. Wastes that are not diverted from the landfill may cause significant amounts of methane which is 25 times more potent than carbon dioxide at trapping heat in the atmosphere.

#### **Management Approach**

Wastes coming from CLI-managed properties handled by subsidiary Cebu Landmasters Property Management are collected by private waste haulers. For hazardous waste, the Company has designated areas for these and are collected and disposed of by DENR-accredited haulers. In 2022, 11 managed properties generated 661,739.81 kilograms of waste.

CLI assesses the capability of its waste collectors to ensure proper waste disposal. The Company ensures that its accredited garbage collectors operate and meet the standard of the Department of Energy and Natural Resources (DENR) in the collection, management and disposal of wastes.

For construction projects, CLI's contractors handle waste management. In 2022, 23 construction sites generated a total of 1,706,112.39 kilograms of waste.

#### **Opportunities**

CLI ensures that all properties, including the older ones will have a system to manage solid waste. Regular waste audit is best practice to generate detailed data on volume of all types of waste such as recyclable, biodegradable, non-biodegradable and residual waste. Further segregation of specific types of waste such as plastics may be prioritized to divert these from the landfill. The Company allocates resources to establish a Materials Recovery Facility (MRF). For horizontal projects such as residential subdivisions, the MRF can expand to include a composting facility for green and other biodegradable waste. In addition, regular reports from third-party haulers on total waste collected and diverted from landfill should be required by CLI's Property Management and Engineering.

In 2022, CLI PM conducted a waste audit to standardize the system to track and record waste generated in its managed properties.

**GRI 306-3 | GRI 306-4**

Waste in kg	Kg	No. of Projects/Properties
<b>Managed properties</b>	<b>661,739.81</b>	
Biodegradable	471,391.66	11/22
Non-biodegradable	190,348.14	10/22
<b>Construction Projects</b>	<b>1,706,112.39</b>	
Biodegradable	1,079,472.99	23/35
Non-biodegradable	626,639.40	23/35
<b>Total</b>	<b>2,367,852.20</b>	

Hazardous waste generated from managed properties are collected by DENR-accredited haulers.

**ENVIRONMENTAL COMPLIANCE**

**GRI 307**

**Impacts**

CLI recognizes that compliance to environmental laws is paramount to its operations. The Company’s major activity is land development which has direct impacts on the environment, particularly the increasing dependence on non-renewable resources, soil erosion, groundwater or soil contamination, impacts on biodiversity and habitats, among others.

**Risks**

Environmental regulatory risk has a direct impact on the business. This risk can come from land use regulations and environmental protection concerns. Any regulatory changes that take place at the local or national level impacts the movement of the Company’s projects.

**Management Approach**

A team focused to manage and monitor compliance to environmental law is established in the Company. The External Affairs / Permits and Licenses Department, the Company’s Strategic Business Units, CLI Property Management and Engineering ensure compliance to pertinent environmental laws. Pollution Control Officers submit a quarterly Self-Monitoring Report and Compliance Monitoring Report to the Environmental Management Bureau of the Department of Environment and Natural Resources.

The Company will invest in internal training and third-party advisories to monitor full compliance to the environmental laws and regulations and correct any non-compliance issues in the past.

**Non-compliance with Environmental Laws and Regulations**

There has been no recorded non-compliance during the reporting period.

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

# **SOCIAL**

## Pillar 4: People

Engaging and Investing in our People, Customers and Communities

### **OUR HUMAN CAPITAL**

Cebu Landmasters considers its human capital as its most valuable asset in the value creation process. The achievement of the Company’s vision greatly depends on its human capital.

### **EMPLOYMENT**

#### **EMPLOYEE HIRES AND TURN OVER**

**Disclosure: Total Number of Employee Hires within the reporting period**

**GRI 401-1**

	2021			2022		
By Category	Total	Gender		Total	Gender	
		Male	Female		Male	Female
AVP, VP and up	2	1	1	0	0	0
Managers	14	6	8	12	7	5
Supervisors	16	10	6	8	0	8
Associate	102	23	79	163	42	121
<b>Total</b>	<b>134</b>	<b>40</b>	<b>94</b>	<b>183</b>	<b>49</b>	<b>134</b>

**Disclosure: Total Number of Employee Turn Over within the reporting period**

**GRI 401-1**

	2021			2022			Variance
By Category	Total	Gender		Total	Gender		
		Male	Female		Male	Female	
AVP, VP and up	1	0	1	1	0	1	0%
Managers	4	2	2	7	3	4	75%
Supervisors/Officers	8	2	6	17	7	11	113%
Associate	35	9	26	79	28	51	126%
<b>Total</b>	<b>48</b>	<b>13</b>	<b>35</b>	<b>104</b>	<b>38</b>	<b>67</b>	<b>117%</b>

### **EMPLOYEE BENEFITS**

**Attracting, motivating and retaining top talents who share CLI’s Vision:** Compensation in CLI is more than just the monthly basic pay. CLI provides a performance bonus to allow people to share in the success they have helped achieve.

	2020		2021		2022	
List of Benefits	% of female employees	% of male employees who	% of female employees	% of male employees who	% of female employees who	% of male employees who

	who availed for the yr	availed for the yr	who availed for the yr	availed for the yr	availed for the yr	availed for the yr
Minimum pay ratio (CLI's entry-level wage vs. local minimum wage) GRI 202-1				14%	23%	
Annual Physical Exam	5%	6%	6%	5.78%	47%	37%
Birthday Leave	13%	17%	10.29%	7.32%	47%	37%
Booster Shots	4.40%	3.90%	4.31%	2.82%	100%	100%
Car/Motorcycle Loan	95.20%	85.80%	94.31%	90.20%	0%	100%
Company stock options					41%	59%
Company Uniforms	N/A	N/A	N/A	N/A	47%	37%
Semi flexible-working Hours	100%	100%	100%	100%	57%	43%
Gift Certificates	100%	100%	100%	100%	47%	37%
HMO	100%	100%	100%	100%	100%	100%
Meal Allowance (Regular employees)	10%	10%	10%	10%	47%	37%
Pag-ibig	13%	17%	10.29%	7.32%	100%	100%
Parental leaves	None for the period	None for the period	100%	100%	100%	100%
Per Diem Allowances	None for the period	None for the period	None for the period	None for the period	100%	100%
Retirement fund/Savings Program (aside from SSS)	0.40%	0.90%	0%	0%	100%	100%
Retirement Savings Program	100%	100%	47%	37%	47%	37%
Rice Subsidy (Regular employees)	100%	100%	100%	100%	47%	37%
Sick leaves	92.40%	70.40%	90.21%	81.40%	47%	37%
Special Emergency Loan	NA	NA	81 (26%)	95 (37%)	47%	37%
SSS	100%	100%	100%	100%	100%	100%
Vacation leaves	NA	NA	26%	37%	47%	37%

## LABOR – MANAGEMENT RELATIONS

### GRI 402

Disclosure	2021		2022	
	Quantity	Units	Quantity	Units
% of employees covered with Collective Bargaining Agreements	None	%	None	%
Number of consultations conducted with	>50 sessions	Number	No data	Number

employees concerning employee-related policies: topics include, but not limited to flexible work arrangements, leave policy, overtime guidelines, provisions in the employee handbook, health insurance plan/ HMO benefits, wellness activities and other related topics.				
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**WORKPLACE CONDITIONS, LABOR STANDARDS AND HUMAN RIGHTS**

**OCCUPATIONAL HEALTH AND SAFETY**

**GRI 403**

CLI’s workforce is considered as its most important asset. Hence it has provided significant resources to acquire, motivate, equip, protect and take care of its employees. The company recognizes the impact that health and wellbeing can have on business continuity and even customer experience, in general.

In the early part of 2022 when the impact of Typhoon Odette was mostly felt in Cebu and other parts of the VisMin regions, CLI prioritized its employees’ health, safety and well-being.

**Risks**

As people continue to live through the impacts of the post-pandemic and post-typhoon reality, people and workplace risks and threats remain to be of concern. Among these risks are physical and mental health, work-related hazards, injuries, labor and employee relations, catastrophic personal events, succession and key talent flight risk. All these risks have a significant impact in the company’s business operations if not managed appropriately.

**Management Approach**

In 2022, the company’s focus was to re-evaluate its approach to supporting its employees. The company enhanced its programs that relate to employee safety, health and wellbeing. On the aspect of physical health, CLI revisited its Health Maintenance Organization (HMO) plan to provide better health insurance benefits to its employees. In addition, the company employed an Occupational Health and Safety (OHS) specialist and established a safety management committee to develop a management system that seeks to measure, track and reduce workplace safety risks.

**WORK-RELATED INJURIES AND ILLNESSES**

**GRI 403-9**

Disclosure	2021	2022	Unit
<b>Corporate Offices</b>			
Recorded Illnesses (COVID-related fever)*	44	166	Number
<b>Construction Sites</b>			
Safe Man-Hours	14,788,395	<b>To follow</b>	hours



LTI	5	5	Number
NLTI	No data	823	
LTA	0	0	Number
No. of safety and other trainings	135	54 (10/38 sites submitted)	Number
No. of attendees	1,560	3,597 M-3360 F - 237	Number

## **EMPLOYEE TRAINING AND EDUCATION**

### **GRI 404**

<b>Disclosure: Training Hours</b> <b>GRI 404</b>					<b>Variance '22 vs '21</b>
<b>Total Training Hours Provided to Employees</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>units</b>	
	8185	5946	7162	hours	20%
a. Female	4911	3636	4082	hours	12%
b. Male	3274	2310	3080	hours	33%
<b>Average Training Hours / Employee</b>	10.1	10.4	9.3	hrs/employee	-10%
a Female	14.5	11.5	9.9	hrs/employee	-14%
b. Male	19.6	9.0	8.7	hrs/employee	-4%

The Company recognizes the need to grow the organization to meet the requirements of its rapidly expanding business. CLI conducted review of the organization's needs to enhance, build and acquire the competencies required to achieve the Company's goals.

In 2022, CLI launched the *CLI SBU Academy: Real Estate the CLI Way* to provide core strategic business units and key support members an extensive and exhaustive training on CLI's end-to-end real estate development process with 67 graduates from two batches.

## **EMPLOYEE DATA | DIVERSITY AND EQUAL OPPORTUNITY**

### **GRI 405**

<b>Disclosure</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Units</b>
Total number of employees	476	572	669	Number
a. Number of female employees	250	315	380	number
b. Number of male employees	226	257	289	number
Attrition rate	8.6%	5%	15.5%	percentage
Ratio of lowest paid employee against minimum wage	Not reported	1:14	1:23	ratio

Gender Ratio: CLI's workforce is inclusive and diverse with 11: 9 women to men employee ratio (all organic, in all categories)

Disclosure GRI 408	Quantity	Units
No. of legal actions or employee grievances involving forced or child labor	0	number

**GRI 408, 409, 410, 412**

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor GRI 409	None	The Company has rolled out the CLI Handbook on Employee Discipline and the Code of Business Conduct and Ethical Standards. These contain policies that ensure fair and consistent treatment of our people. This handbook outlines policies in a manner that is easily understood by the employees.
Child labor GRI 408	None	CLI does not tolerate child labor and forced labor in the workplace and strives to improve its business processes and procedures to ensure that no incidence of forced / child labor is observed.
Human Rights GRI 412	Yes	CLI guarantees full respect for human rights and upholds the dignity of its employees. CLI is compliant to the requirements of the Labor Code and provides more than the standard set by the government-mandated benefits. Among the policies that relate to human rights explicitly cited in the employee handbook are all forms of sexual harassment and acts of lasciviousness, Workplace harassment are declared unlawful.

**LABOR LAWS AND HUMAN RIGHTS**

**GRI 412**

**Impact**

It is paramount to the Company to be compliant to the labor code and other laws and regulations protecting the rights of all its employees while promoting a healthy and safe environment in the workplace.

CLI recognizes that threats to the rights, health, and safety of its employees impacts productivity, as well as employee retention and engagement.

**Management Approach**

Cebu Landmasters planned for an occupational health and safety management system covering the Company's employees and extended to indirect hires such as workforce of construction and property management. Regular training sessions are being conducted to key personnel especially the workforce at construction sites and security personnel in managed properties. Assessments are also routinely made to ensure that safe working practices are adapted and workers are compliant to the Company's standards.

Cebu Landmasters sees the opportunity to cascade compliance to labor laws and regulations not only to internal stakeholders but also to partners, suppliers and contractors that CLI does business with. The Company continues to work with business partners to build a culture of health and safety within and outside the organization.

Moving Forward, CLI seeks to embed sustainability into the culture and mindset of CLI employees, with the end in mind that the CLI employee is able and to identify sustainability features of CLI properties and products beyond the traditional sales pitch and is able to interconnect human behavior with environmental, social and economic impacts and identify corporate sustainability initiatives that contribute to global sustainable development goals.

In addition, CLI explores opportunities to influence external stakeholders by including social assessments in supplier accreditation and evaluation particularly in security practices.

## **SOCIAL**

### **Pillar 4: People**

#### **Communities**

##### **RELATIONSHIP WITH COMMUNITY | SIGNIFICANT IMPACTS ON LOCAL COMMUNITIES** **GRI 413**

##### **Impacts and Risks**

Real estate development impacts on the host and neighboring communities where the projects will be built. There is a risk of displacement of informal settler families occupying the private property that is planned to be developed. Other negative impacts include public disturbance and access issues at construction stage.

##### **Management Approach**

CLI is committed to demonstrate responsible planning and development especially in areas where informal settler families are affected. Wherever CLI develops, community engagement and infrastructure improvements within the host and neighboring communities are integral parts of the company's development plans.

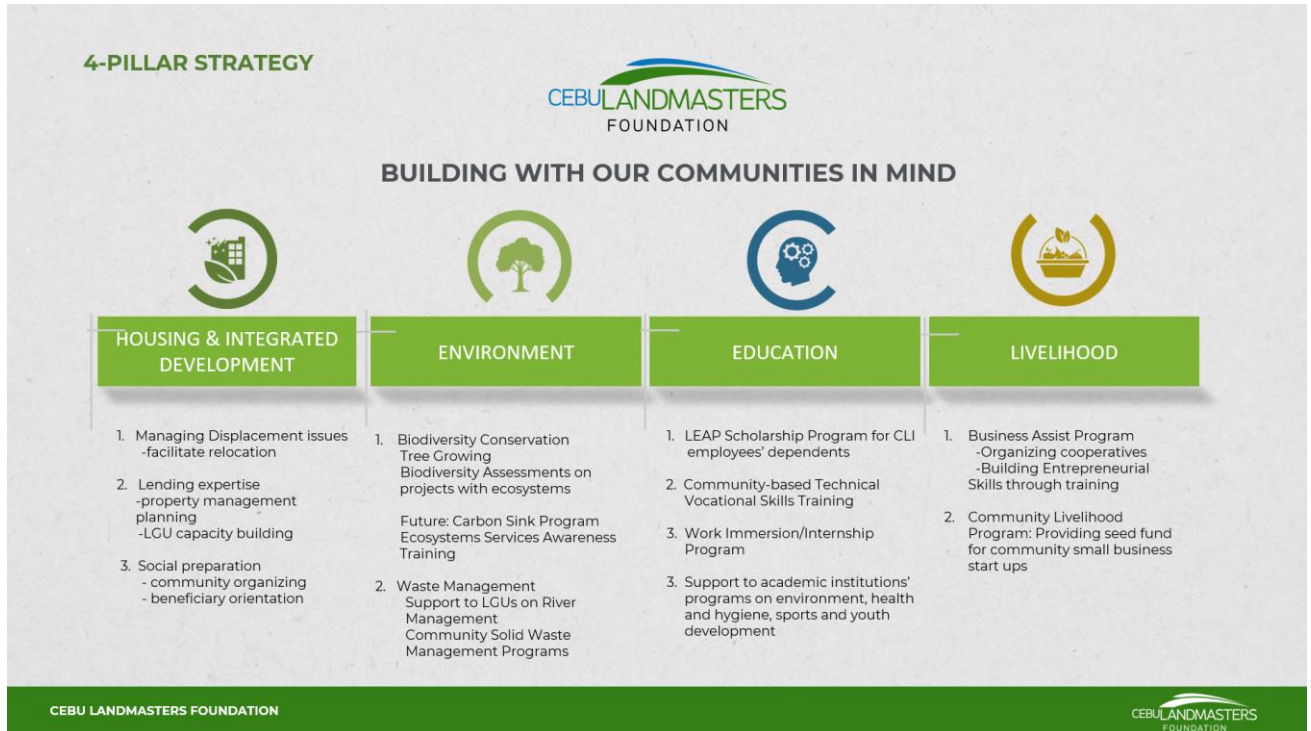
In 2022, the company's Corporate Social Responsibility (CSR) arm, the Cebu Landmasters Foundation, Inc. developed a 4-pillar strategy and pursued social development programs in a more holistic approach in community engagement with a clearly-defined set of target beneficiaries.

The foundation's framework is adopted on the basis of the Company's vision, that is to be the most community-focused real estate Company in the Visayas and Mindanao regions.

Through the foundation, the Company's efforts on corporate citizenship are organized into a more coherent and focused set of programs. The foundation has identified interventions that are aligned with

the needs and priorities of partner communities: building capacities for livelihood, environmental stewardship, health, sanitation and wellness, and developing skills through education.

In addition, the social development framework defines the company’s shared value initiatives and is aligned with the company’s employee volunteer program in which the members of the internal organization are given an opportunity to be involved in community engagement activities.



**SHELTER: SOCIALIZED HOUSING DEVELOPMENT AND INTEGRATED SOCIAL DEVELOPMENT**

CLI, through its socialized housing projects provide decent and affordable housing to hundreds of homeless and informal settler families. Currently, CLI’s completed projects include Villa Casita Balamban, Pinamalayan Housing, and Villa Casita North. The company has also contributed public infrastructures such as access roads, drainage systems, public markets, and transport terminals.

**Partnering with the Cebu City Government**

To better tackle the every growing housing backlog in the country and to incorporate more sustainable socialized housing projects within the city, in 2021 the CLI Foundation team created a three-way collaboration among the company, the Cebu City local government and the Philippine National Government through the Department of Human Settlements and Urban Development in developing a five-storey, 100-unit housing project for informal settlers within Cebu City, called Sugbo Walk up One. The project is a medium-rise building project located in Lorega San Miguel, Cebu City. Each dwelling unit has an area of 23.75 square meters. Beneficiaries are informal settlers who live along rivers, creeks, coastal areas and other danger zones.

Going beyond construction of this socialized housing development, CLI and the foundation team worked with the Cebu City LGU through the Local Housing Board and the Department of Welfare for the Urban Poor in developing beneficiary selection guidelines, social preparation that includes communal living strategies translated into house rules. In addition, CLI pushed for the creation of Cebu City Human Settlements Office that will lead in the maintenance of the medium rise building and assisted the local team on standards of property management to prepare them for facilities turnover. The company continues to assist the LGU in the pre-settlement process, providing guidance as the beneficiary community transitions from horizontal to vertical living.

### **Mandaue City**

Furthermore, the Company partnered with Mandaue City to plan for a future medium rise building - socialized housing category that will benefit informal settler families hit by a major fire incident in 2019 in Brgy Tipolo, Mandaue City. In 2022, CLI completed the design development of Tipolo Residences Building 4 applying sustainable building design features. The 90 beneficiaries of this project were introduced during the ceremonial groundbreaking of the project in the third quarter of 2022. Soon thereafter, the 90 beneficiary families were organized into a purok with their own set of officers. Capability building activities started towards the last quarter of the year.

### **Coastal Communities in the Municipality of Minglanilla**

In 2022, CLI continued to engage the community through public consultations. The members of the host communities in the coastal Barangays of Minglanilla namely Tungkil, Calajoan, Tulay and Tungkop were engaged and oriented on the project to be developed in the area. The informal settler families who will be affected by the boardwalk development and are currently living in danger zones on the coastal waters of Barangays Calajoan and Tungkil were identified, profiled and organized. Some of them are members of the fisherfolks and women's organizations, while most of them are laborers, some are self-employed and the rest are unemployed. This community is the priority beneficiary of the company's social development programs that serve as its social preparation activities even before the project will formally start construction.

### **EDUCATION: LEAP SCHOLARSHIP PROGRAM**

In the area of education, the company through its corporate foundation, Cebu Landmasters Foundation, Inc. launched the Leadership and Educational Assistance Program (LEAP) targeting CLI employee dependents. At present, CLI has 13 scholars taking up Architecture, IT, Engineering, and Business courses at the University of San Carlos. CLI continues to expand its education program to include a community-based skills training for livelihood and employment for identified beneficiaries.

### **ENVIRONMENT: BIODIVERSITY MANAGEMENT/ ECOSYSTEMS PROTECTION**

On the aspect of biodiversity management, CLI through its partnership with LGU and a CSO, has planted 106,718 trees. This program served to enhance local forest and mangrove sites and supported the livelihood of farmers and fisherfolks in various locations. Another program addresses waste management. CLI assisted the disaster response teams and environment committees of coastal

barangays in the Municipality of Minglanilla to fabricate trash trap systems deployed in the area's major riverway, which has prevented waste from reaching the coastal waters. This is an example of a program that addresses both social and environmental issues in a given locality.

### **ENTERPRISE DEVELOPMENT / LIVELIHOOD**

CLI provides assistance to local start up small businesses in some of the company's neighboring communities. In 2022, the foundation assisted one of the home-owners associations in a relocation site in Brgy Paknaan, Mandaue City in the formation of a consumers cooperative. CLI provided guidance on the coop formation requirements and livelihood training sessions to prepare the coop for its small business, 'Bugasan sa Paknaan'. In addition, CLI assisted a vegetable farmers' cooperative BUKIDMulti-purpose Cooperative in Brgy Sunog, Balamban, Cebu by providing resources and by promoting and patronizing their farm-fresh produce. Brgy. Punta Engano is also among the communities assisted by the foundation by organizing the womenfolk into a barangay-registered organization which will be the company's beneficiary for livelihood programs in Lapu-Lapu City, Cebu.

### **Typhoon Odette Response**

The Company responded to the needs of its host communities during the early part of 2022 following typhoon Odette. The company provided food packs, roofing materials and solar lamps in the areas that were severely affected by the typhoon, benefitting over 4,000 families. In addition, the Company provided P30 million assistance in roof repairs that benefited more than 800 homeowners affected by the typhoon.

### **Total Community Investments**

The Company spent more than P12 million in 2022 in community contributions in various areas such as housing, disaster and pandemic response, education, river management, livelihood training, youth development arts and culture, among others.

### **Creating Shared Value**

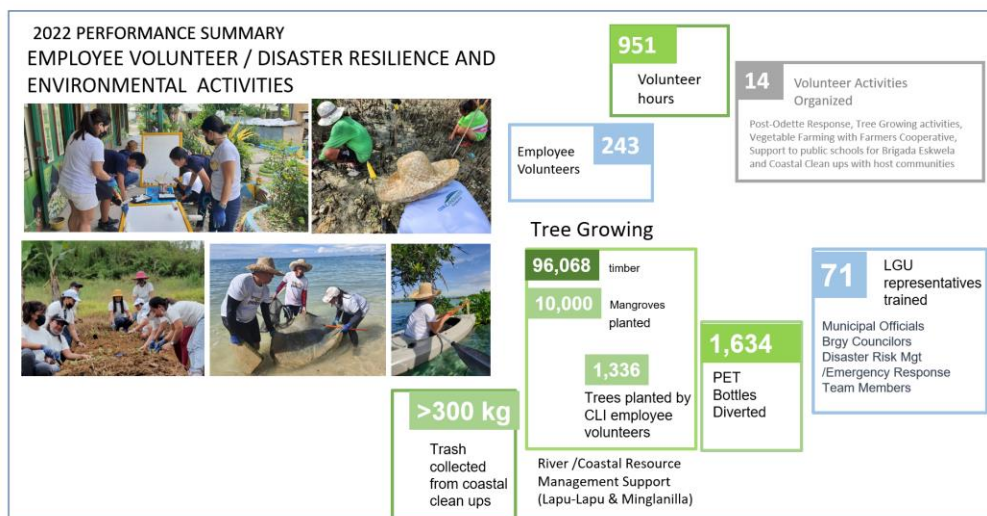
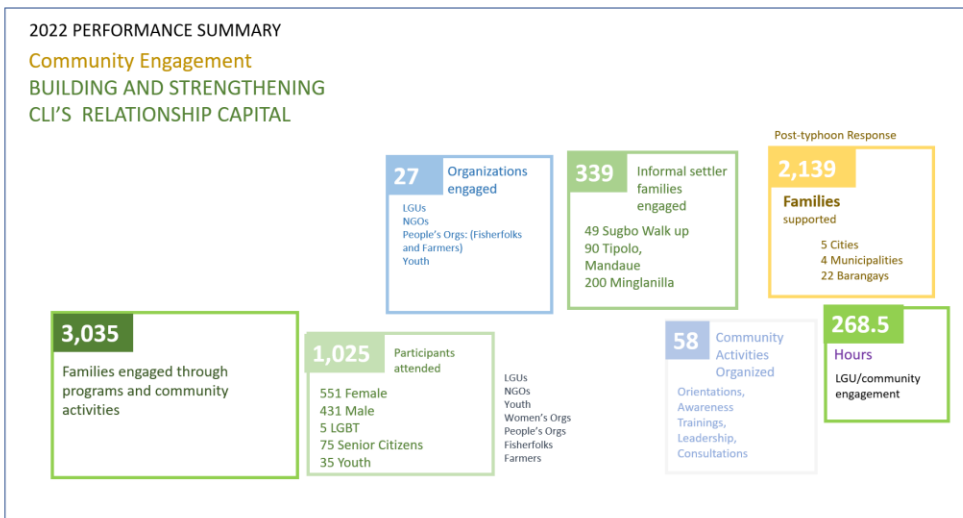
Thus far, CLI's entry in the local communities have helped transform the physical landscape and spurred economic activity through the following areas:

- a) **Local sourcing** – 70-80% of CLI's total spending is in the Visayas and Mindanao areas where its operations are located. Of the total number of suppliers, 74% are from across key cities in the Visayas and Mindanao regions.
- b) **Employment /job generation** – CLI has generated over 12,000 jobs from direct and indirect hires and those supported in CLI's developments through office and retail space leasing. Once all construction projects will be completed, it is expected that jobs will be in the hundreds of thousands, to include those of CLI's partner locators that provide the infrastructure.
- c) **Public infrastructure support** - Access roads, drainage systems, public markets, transport terminals are among CLI's significant contributions particularly in these areas: Barangays Lahug, Apas and Guadalupe, respectively.
- d) **Access to more decent and affordable housing** among the homeless and informal settler families through the Company's socialized housing projects. CLI goes beyond compliance in its socialized

housing requirements as a developer. A classic example of this is the construction of a 5-storey/ medium rise tenement building in Brgy Lorega San Miguel that is expected to resettle 100 families living along creeks, rivers and other danger zones. Other

- e) **Supporting local micro-entrepreneurs' livelihood through ancillary services** that emerge and thrive alongside the projects that CLI develops. As CLI enters into township/estate development, the Company starts to conduct social baseline studies that cover inventory of all existing services on the project area's periphery, as well as available manpower skills of people from the host and neighboring communities.
- f) **Access to integrated social development: education-to-employment programs** (skills training / upgrading), **disaster readiness and response, environment and sanitation** and other integrated support systems that the Company can provide to the host communities especially in this post-pandemic and post-disaster reality.

Below is a summary of Community Development Program Outputs



# **SOCIAL**

## Pillar 4: People

### Customers

#### **CUSTOMER MANAGEMENT**

CLI has been able to establish itself as the leading residential developer in VisMin due to its strong track record in the different market segments. Thus, the Company can tailor-fit its residential developments not only to achieve the best use of a property but also to ensure its optimal market acceptance. This has enabled CLI to sell its projects at a higher velocity, turn-over quickly on its developments, and move swiftly from pre-selling to construction and delivery. CLI's consistently high sales performance is enabled by innovative sales and marketing strategies, which allows itself to bring products to the market faster than the competition with the support of close to 2,000 active real estate brokers engaged in 2022 across the VisMin regions.

#### **Impact**

CLI recognizes that customer feedback and satisfaction will impact the entire organization as it reflects the overall experience of the customer from reservation of units, monthly equity payments, prompt construction updates, smooth take-out and turn-over to property management.

#### **Risks**

The continuing pandemic and typhoon Odette that hit Cebu and other parts of the VisMin regions where CLI operates posed risk in delays in payments and cancellations of units reserved (for sale or lease). On the other hand, organizational inefficiencies may result in customer dissatisfaction that have a direct impact on customer relationships and the Company's reputation and therefore need to be managed.

#### **Management Approach to Address the Risks**

As the real estate industry and the market transitions to almost pre-pandemic normalcy, the company sees improvement in the customers' personal financial capabilities. Adjustments were made as buyers request for payment plans where they are given a certain period to settle their arrears as opposed to the pandemic years when a number of buyers were opting for cancellation.

To ensure that customers' concerns were addressed while maintaining the viability of accounts, CLI enhanced its protocols for the management of payment issues in alignment with the Maceda Law. CLI also used auto-notification tools to remind customers of their upcoming monthly equity payments or to notify them about missed payments.

Below is a summary of the customer engagement channels the company used. These have been the outputs of the company's digitization program in the last two years. These have enabled the Company to strengthen CLI's relationship with its network of brokers and sellers and meet their needs more efficiently as the business confidently navigates through the post pandemic reality.

- Buy-A-Home microsite to provide sales partners quick access to new project inventories and promotions;
- Masters Portal application for homeowners to track their payment status, get CLI construction updates and promos; and
- Facebook chatbot for 24/7 response to general inquiries.



- Online Reservation Process
- CLI Elite Circle: Buyers' Rewards & Loyalty Program
- Online Homefest
- Flagship Sales Ofc Opening & New Features: Digital /Queuing System, Ticketing General Queries
- Counter, Interactive screens
- Virtual Launches/Events
- Virtual Turn over Experience
- Dedicated Hotline and Email Addresses
- Auto-notification on Payment Reminders and Missed Payments

### Management Approach

The Company has identified a strategy to assist its buyers who have experienced financial challenges in the light of changing economic conditions.

In 2022, CLI continued to offer promotions to new buyers, stretching equity installment terms. CLI granted payment deferrals and grace periods to buyers on their equity installments.

### Opportunities

The Company values advertising through word of mouth and first-hand experience by their brokers, agents and return customers. CLI is currently developing a system to determine customer satisfaction and continually enhancing feedback management program to gather, measure and use data in the Company's value creation process

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Average Customer Satisfaction rating across 3 customer groups: Investors, Buyers and Sellers	4.7 out of 5	N

## **CUSTOMER SAFETY AND HEALTH**

### **GRI 416**

With lessons learned from the pandemic and Typhoon Odette that hit Cebu and some parts of VisMin, the Company prioritizes customer health and safety.

### Risks

Accidents that are out of the Company's control can happen within CLI's premises, projects and facilities.

### Management Approach

CLI enforced additional sanitation and safety measures in all operating projects in response to the pandemic. These initiatives were spearheaded through the property management team.

Furthermore, the Company ensures that its properties do not pose any risk to health and safety to its

stakeholders. Such is incorporated from the design process to construction as well as operations. The Company is committed to meet the highest building standards to be resilient to any structural threats. Risk assessment in its premises such as slippage and fall are periodically being conducted to ensure compliance to CLI standards.

**MARKETING AND LABELLING**  
**GRI 417**

**Impact**

With an increasingly competitive real estate environment particularly residential sales and commercial operations, customers tend to look for key differentiators such as powerful online presence, good brand recognition, mobile apps and online events that substitute face-to-face activities that significantly save time and effort. To address this need, Cebu Landmasters, Inc. advertises its products through a multi-channel approach: billboards, LED screen, brochures, radio ads, social / digital media and other means.

**Risks**

With accelerating digitalization, product advertising using digital media channels face concerns on brand safety and data breaches. Other risks include third-party claim for intellectual property infringement and the advertising space vis a vis other content. Advertising content on social media may unknowingly appear next to inappropriate content that may have an indirect negative impact on brand value. All these, to a certain extent may present reputational risk, business risk, data security and legal risk. In addition, property marketing risks may be perceived in materials that highlight features and amenities presented using an architect’s conceptual and schematic designs. CLI ensures that all of the features and amenities promised in the marketing materials are delivered.

**Management Approach**

The Company ensures that its advertising and branding campaigns comply with existing laws and regulations of government regulatory agencies such as Department of Trade and Industry (DTI) and Ads Standards Committee (ASC) for all ads and promotions that are accessible to the general public outside the Company’s facilities.

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and labelling*	0	#
No. of complaints addressed	0	#

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

**CUSTOMER PRIVACY | DATA SECURITY**  
**GRI 418**

**Impact**

All customer personal information such as names, addresses, contact information, signature, and other details that were collected by the Company in the course of its transactions with them are logged in CLI’s database and can be accessed only by duly authorized personnel.

## Risks

CLI recognizes that there is a threat to data security due to cyber hacking. This may result in disruption in the Company's operations and/or Loss/theft of corporate information and/or personal identifiable information.

## Management Approach

In order to protect corporate and customer data, the Company is implementing a strong security policy in secured network protection throughout its aspects of data management. This includes:

- policies and procedures for IT asset management and security
- data protection programs
- cyber security training and awareness campaign

## Opportunities

CLI continues to assess customer experience journey and data management system to improve customer confidence and patronage.

CLI will review and improve its policies and programs to enhance brand loyalty and maximize profitability. The company is now incorporating data privacy as a key principle in all its programs, projects, procedures, measures, software and technologies.

Disclosure GRI 418-1	Quantity	Units
No. of data breaches, including leaks, thefts and losses of data	0	#

Disclosure GRI 418-1	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose information is used for secondary purposes	0	#

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

## GOVERNANCE

Pillar 5: Process / Practice

Achieving Organizational Efficiency and Good Corporate Governance

### Highlights

- Successful entry in the fixed-income securities market through the Php5 Billion maiden bond offering. CLI Bonds received from the Philippine Rating Services Corp. ("PhilRatings") a credit rating of Aa plus with a Stable Outlook. PhilRatings commended CLI for its sound management and strategies and its competitive advantage in VisMin markets evidenced by its continued growth despite the pandemic.
- Increase in the Company's corporate governance rating based on the recent performance evaluation conducted by ICD

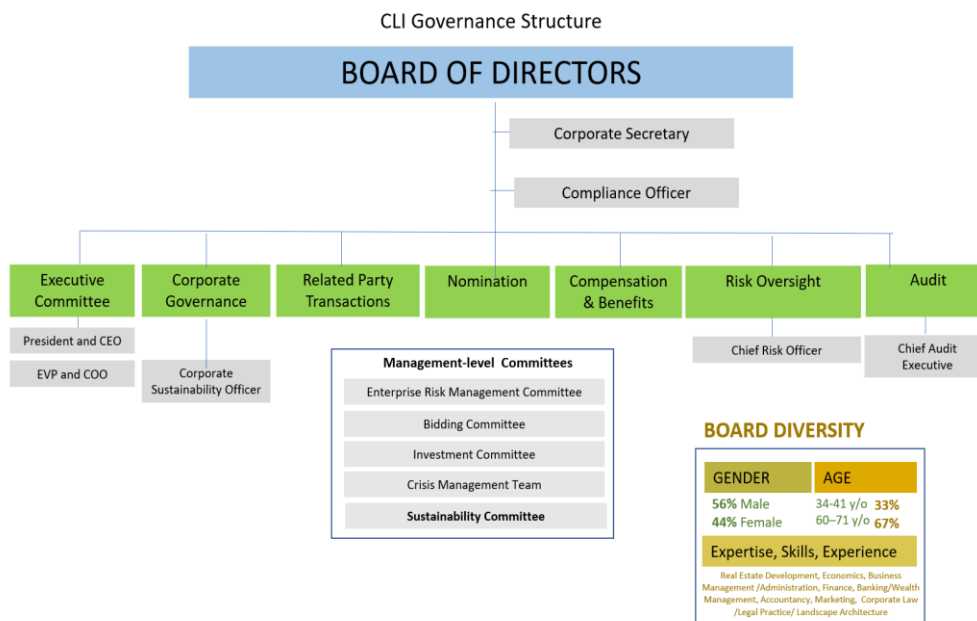
- An increase of 15.21% (from the previous year) in the company' corporate governance rating based on the recent performance evaluation conducted by the Institute of Corporate Directors (ICD)
- Publication of the Company's first integrated report covering the 2021 financial and non-financial performance
- The Company's CFO, Mr. Grant Cheng was awarded as the 2022 ING-FINEX CFO of the Year.

## Governance Structure

### GRI 102-18

Composition of the highest governance body and its committees

### GRI 102-22



The CLI board has three (3) independent directors. The board committees on Corporate Governance, Related Party Transactions, Nomination, Risk Oversight and Audit committees are chaired by an independent director.

Independent and non-executive directors are not employed by the Company but act as independent advisors. They are part of the Company's board of directors and are considered as stakeholders. The independent directors are involved in policy making and strategic planning exercises and regularly assess the Company's performance through quarterly committee meetings each chaired by an independent director.

*Additional information on board composition, diversity, committees and performance, anti-money laundering compliance, enterprise-wide risk management and other related topics can be found in the Corporate Governance Section, SEC 17-A report*

## **Process Innovation / Digitalization**

CLI embarked on digitalization of its major processes to reduce operational cost, optimize processes, improve performance and productivity and enhance customer service. Process digitalization is also envisioned to help reduce carbon emissions. One of the processes focused on was Property Management to address the needs of 10,763 unit owners in 14 condo corporations and 11 homeowners associations across vertical and horizontal properties.

Efforts at digitalization aims to address the need to track property maintenance activities, utilities resource consumption, collection efficiency, billing payment notification, owner or tenant profile, facilities monitoring, repairs and concerns status and online community billboard as a regular communication tool.

Part of the solution was to create an app for the process that included real-time dashboard on property and equipment status, single cloud-based database for document storage, seamless multi-site monitoring, unit-owner and tenant management, instant report and billing generation, automated preventive and corrective maintenance scheduling and monitoring, real-time utilities management and management of in-house staff and third-party vendors, among others.