



ANNEX A

SUSTAINABILITY REPORT

CONTEXTUAL INFORMATION	
Name of Organization	Figaro Coffee Group, Inc. (FCGI) (PSE:FCG)
Location of Headquarters	116 East Main Ave, Phase V-SEZ, Laguna Technopark, Biñan, Laguna
Report Boundary: Legal entities (e.g., Subsidiary) included in this report	Figaro Coffee Systems, Inc. (FCSI)
Business Model. Including Primary Activities, Brands, Products, and Services	Full-service restaurant chain Brands: Angel's Pizza, Figaro Coffee, Tien Ma's, Café Portofino and Koobideh Kebabs
Reporting Period	July 1, 2023 to June 30, 2024
Highest-ranking person responsible for this report	Divina Gracia G. Cabuloy President & CEO Michael T. Barret Director/ EVP, COO & CIO
Contact for questions regarding the report	Investor Relations corporate@figaro.ph

MATERIALITY PROCESS

FIGARO COFFEE GROUP, INC., as a Parent Company of its wholly owned operating subsidiary, Figaro Coffee Systems, Inc. (“FCSI” or the “Subsidiary”), has minimal activities. The sustainability report of the Company depends on the actions performed by its Subsidiary to manage risk and capitalize on possible opportunities. Thus, references to “FCG”, the “Company” or “Group” throughout this report pertains to both the Parent Company and its Subsidiary, unless otherwise specified in the statement.

Company Mission: Spreading Happiness Through Food and Value

Diversity and Balance. Through a diverse selection of brands and concepts, we minimize risk and volatility during challenging periods, while maximizing returns during strong economic backdrops. This streamlined brand allocation in the portfolio allows the company to maximize its back-end strengths and utilize economies of scale which creates a refined balance in the Company’s return ratios and capital allocation.

Customer-Value Oriented. To be value-oriented is one thing, but to be Customer-Value Oriented is a higher level in itself. At FCG, we make every decision and action based on what would be the best for our customers and what would delight them the most. We believe in being obsessed with customer satisfaction and aligning every facet of our strategy and goals with our valued customers.

Integrated. From our supply chain, commissary, manufacturing, and logistics, we are fully integrated to ensure high quality to maximize efficiency and optimize costs. Through technology, the company integrates outside partners as well as internal departments to always be up to speed on data analytics needed for quick decision-making.

Sustainable Execution. Our philosophy has always been long-term sustainability and business viability. We achieve this through diversification, prudent investing, and growth management. We ensure that capital expenditures will be put to good use to create long-term value for the company. We expand at our own pace based on what will create the best long-term sustainable value for customers, shareholders, and the Company.

We always practice good governance and actively pursue the cause of socio-cultural and environmental concerns. The Group creates long-term value for its shareholders and business partners through profitable operations and business sustainability, and dignity of life for its employees. As the Company moves towards the accomplishment of its corporate goals and ultimately to create and sustain increased value for all its shareholders, the Board of Directors, the Board Committees, particularly the Corporate Governance Committee, the management, officers, and employees of the Company believe that sound and effective governance is fundamental to its continued success and long-term existence.

a. Environment

FCG’s Environmental, Social and Governance (“ESG”) Policy goals are embedded and remain our core in everything we do in business. We believe we have a responsibility to minimize the energy, carbon, water, and waste impacts of our business and recognize that these impacts occur not just in the daily operations of our portfolio but also throughout our entire value chain. As a result, we strive to reduce environmental impacts across the full life cycle of our buildings and our corporate operations.

b. People

A deep commitment to social responsibility is core to who we are as a Company. We believe people are the heart of our business and take pride in our outstanding work culture. We strive to be an optimal player to our employees, business partners, as well as valued partners in our communities.

We create fun, spirited work environments that reward innovation and collaboration at all levels. Also, the health and safety of our employees, tenants, and vendors is of the utmost importance to us. Each year, we conduct various health seminars and awareness programs which require our employees to complete safety training.

Our management team has a strong background in the food and beverage industry, with an average of 31 years of exposure in different aspects of restaurant/café operations management such as store operations, business development, sales and marketing, international store expansion, research and development. We maximize our employees' potential by honing their unique skills and motivating them to become an important part of the organization. We continue to develop processes and procedures to train our employees on the techniques required to effectively operate our kitchens.

c. Product

The Company Mission is to deliver quality, innovative, and value-for-money food favorites that every customer will love and want to share. Our Company continues to work towards our vision to be the top-of-mind food company in delivering happiness to customers and value to our partners and shareholders. We ensure that our products are of top quality and meet the requirements of Food Safety Regulators. FCG also develops products that health-conscious individuals would love.

Our products are produced under the strict supervision of our Quality Assurance Department, making sure that all produced goods will be of the highest quality. With the well-established systems and the presence of dynamic individuals from the Research and Development group, we are highly confident that we can capture a larger share of the food and beverage segment by providing a variety of new products to a broader spectrum of customers. Principles of professionalism, sustainability, and customer focus run our business philosophy. We operate our own roasting facility, warehouse and supplies, and commissaries to cater to and supply our stores and business partners. Our commissary is capable of producing high-volume products without compromising on its quality. Our roasting facility operations guarantee the freshness and quality of our coffee products. Our Roasting Team members are trained at the Institution of Coffee Excellence located in Mandaluyong City. Training courses include Coffee 101, Roasting, and Third Wave, among others. We highlight the importance of Quality, Consistency, and Value in all the goods that we are producing.

Our commissary was previously Halal-certified and HACCP-compliant. Due to the pandemic, these certifications have not yet been renewed. However, the Company's operations and processes have been further enhanced to consistently adhere to the strict standards on food preparation, safety, and quality. Our facilities also adhere to the highest quality standards and have complied with the Rules and Regulations Governing the Operations of Food and Food Products Manufacturing and Processing Establishments, and the Good Manufacturing Practices Requirements under Administrative Order No.153, series of 2004. Also, through our commissary, we now offer a variety of ready-to-eat and frozen meals, including pastries, available to the market and our employees at the head office.

COVID-19 POST PANDEMIC AND RECENT DEVELOPMENTS

The COVID-19 Pandemic is a wake-up call as the Group was forced to put health concerns, family, and team members at the forefront of focus and priorities. The Group accelerated to the right-size operations and streamlined processes to meet the demands of the new normal.

As we enter the post-pandemic era, we have the opportunity to refine the implementation of health related laws based on the lessons we learned from the pandemic recognizing the importance of a strong health system during the Covid-19 pandemic. The Office of the Secretary of the Department of Health issued a Department Circular No.2023-0324 on Updated Health Protocols following the lifting of the Covid-19 Health emergency issued on July 23, 2023, from wearing facemasks, minimum public health standards such as good hygiene and frequent handwashing among others.

In this connection, under Proclamation No. 297 issued last July 21, 2023, the Philippine Government has declared that all prior orders, memoranda, and issuances effective only during the state of public health emergency shall be deemed withdrawn, revoked or canceled and shall no longer be in effect. The Company is aligned with the government in recognizing that while the state of public health emergency is lifted, we must remain vigilant and proactive in our approach to health and safety. We believe that continued awareness and adherence to recommended health protocols are paramount to safeguarding ourselves and our stakeholders from potential serious health risks.

To cater to the ever-changing consumer demand brought by the pandemic, the Figaro Group Online (www.figaro.ph) and Angel's Pizza Online Store (www.angelpizza.com.ph) launched in 2020, continue to serve our customers. Our brand can also be reached in Play and App Store using the Angel's Pizza mobile application. Connected to the Amazon Cloud, it features an exciting points-and-rewards system that would be convenient and fun for mobile users to earn and collect points as they make purchases. We also opened a TikTok account to provide entertainment and customer engagement such as dance challenges and singing contests. On October 27, 2023, Angel's Pizza released the Sama-Sama sa Angel's Pizza music video on its Facebook page, which garnered millions of views on Facebook and TikTok. The music video displayed Filipino values and simple celebrations such as bringing boxes of pizza to your family at home as "*pasalubong*", partnered with a catchy melody and lyrics that everyone can sing along to. We ensure that our systems are up-to-date, reliable, and secure. We have successfully directed our efforts in developing ready-to-eat (RTE) meals and capitalized on our strong delivery team to provide convenience to the comforts of their homes or offices.

On November 30, 2023, the Figaro Coffee Group proudly commemorated its 30th year of coffee excellence. In celebration of this significant milestone, Figaro Coffee stores nationwide offered its aromatic regular-sized Brewed Coffee and Americano Coffee for just P30.00. The local coffee chain started brewing in 1993 with a single store at Glorietta, Makati, and continues to flourish with 65 more stores.

CONCEPT	NEW STORES OPENED
	2024 (July 1, 2023 – June 30, 2024)
FIGARO	60
ANGEL'S PIZZA	127
TIEN MA, KOOBIDEH KEBABS	14
CAFÉ PORTOFINO	5
TOTAL	206 (Latest cut-off period 30 June 2024)

**Our Angel's Pizza concept includes full stores, kiosks, carts, and dual-concept, sharing the same space with Figaro and Tien Ma's stores. There is an increasing number of stores of Angel's Pizza Express while TFG Express was rebranded as Café Portofino.*

*** As of 30 October 2024, Figaro Coffee Group Inc. has a total number of 213 stores to date.*

The Group enthusiastically opened its very first Persian-concept store in Makati called Koobideh Kebabs, offering a diverse and versatile menu where diners can have an Indo-European culinary experience and choose between heavy and light meals. Among the main dishes are Chelo Kebab Meals, Chelo Kebab Packs, Burger Kebab, Hummus with Pita, and Sheikh's Best Guava Iced Tea.

New Products

The Company's new products launched within this fiscal year period include:

Angel's Pizza

- Thin Crust Mekus Mekus Ultimate Mashup; Thin Crust Mekus Mekus Creamy Spinach; Thin Crust Mekus Mekus All Meat; Thin Crust Mekus Mekus Double Deal
- Triple Chocolate Cake
- Banana Langka Pie
- Ube Macapuno Pie

Figaro Coffee

- Iced / Hot Roasted Almond Latte
- Newly improved pies:
- Spinach and Cream Cheese Pie
- Spicy Jamaican Pie
- Tuna Pie
- Asado Pie
- Easy Eggs Benedict
- American Breakfast Sampler
- Classic Avocado Toast w/ Poached Egg
- Iced & Hot Matcha Green Tea Latte
- Matcha Green Tea Frappe
- Dalandan Juice
- Four Season Juice
- Premium Red Velvet Cake
- Dark Chocolate Snickers Gateau
- Uji Matcha Cream Cake

Tien Ma's

- Tainan Fried Chicken
- Honey Lemon Chicken
- Sweet and Sour Fish Fillet & Pork
- Fried Porkchop
- Three Cup Chicken
- Fish Fillet Black Bean Sauce
- Salt and Pepper Spareribs
- Breaded Chicken

Koobideh Kebabs

- Chelo Kebab Packs
- Chelo Kebab Koobideh Meals
- Beef and Chicken Kebab Burger
- Beef Chicken Shawarma
- Sheikh's Best Guava Tea
- Hummus with Pita
- Yoghurt Shake

The Group's Angel Pizza brand became one of the top food delivery brands identified by Grab, and Creamy Spinach continues to be the Group's top-selling Pizza variant. FCG has received the Grab Food Platinum Fan Fave Award and Operational Awards Critically Acclaimed for 2023. The Research and Development Team, in collaboration with our Marketing Team, continues to identify and keep up with the recent trends that influence the consumer's behavior and preferences by comparing previous and present data and conducting product revamp and dry run. We ensure that every option that consumers are looking for is available in our stores.

Further, in the first quarter of 2023, Management commenced the Scrap Recovery initiative which has been recently found successful in generating good results. Several benefits to the community and financial gains for the company are anticipated for the coming years. The total cash generated for this period is P326,132.00, higher than last year.

CORPORATE SOCIAL RESPONSIBILITY

The Company remains committed to continuing its Corporate Social Responsibility ("CSR") program in line with our commitment to "Strengthening our Communities" as embodied in our ESG Policy. We have a long history of providing meaningful, and often transformational support to the communities in which we operate. We support activities and programs geared towards community welfare and environmental protection. We also provide charitable support to key industry and professional organizations, often in the form of event sponsorships. In January 2024, the Figaro Foundation was re-established to pursue deeply-rooted advocacies and to designate a strong dedicated team that will do the planning and coordinating with external organizations to make the existing and future CSR activities of the company happen, aligning them with the company's mission to provide food favorites that everyone wants to share.

Our CSR activities for this fiscal year period include the following:

Angel ng Buhay Ko – An Angel's Pizza Series Project

Angel's Pizza's "*Anghel ng Buhay Ko*" is a collection of a 3-minute documentary series featuring stories of individuals that can share inspiration to viewers with each episode highlighting their unique own way of helping others despite their own circumstances and how to make a difference in the world.

This project also aims to help those who are in need and/or deserve appreciation and recognition for their love and compassion towards others. "*Angel ng Buhay Ko*" started production in November 2023 and published its first episode on December 08, 2023. The series has 7 episodes posted on Angel's Pizza's Official Facebook page <https://www.facebook.com/angelpizzaph/> with the last episode released last August 27, 2024.

Angel's Pizza Party.

This initiative is specifically catered to orphanages and foundations to give the best kid's party and bring happiness to every child. Like any other party, the team prepares an hour-long program that children will look forward to. We begin the party by introducing Angel, the mascot of Angel's Pizza, and encouraging the kids to play with Angel for a while. An intermission number performed by Angel and his team to entertain the audience. Included in the program are the popularized dance challenges and "*palarong pambata*" with special prizes for winners. We surprise them with our very own pizza and chicken pasta combo meals. The program is concluded by distributing party favors among the kids and taking group photo.

Events held:

26 March 2024 at 460 Krus, Guiguinto, Bulacan in Bethany House of Sto. Nino Orphanage
19 April 2024 at Masalat Rd. Sampaloc, Tanay, Rizal in Rehoboth – A Place for Us
17 May 2024 at Lipa, Batangas in SOS Children's Village
20 June 2024 at Brgy. Lamot 2 Hardinan Calauan, Laguna in Pinagpala Children's Home
11 July 2024 at Mendez, Cavite in Little Angels Home Inc.

Baseco Feeding Program. Baseco Compound Port Area, Manila

FCG continue to conduct a feeding program with the theme “End Hunger for a Better Tomorrow” which aims to provide free food to the urban community of the Baseco Compound in Port Area Manila. With assistance from the Manila Department of Social Welfare, this is a weekly, specifically every Thursday, feeding program for the Baseco and other communities in need to help alleviate the malnutrition problem of our country. To cater to the needs of the community, we aim to serve 500 persons per session. We produce and distribute food stubs that participants will present to make sure everyone has the chance to enjoy their food. Every month, nearly 4,000 children including their families benefit from this ongoing program. We inform and assign FCG departments on a weekly schedule and the assigned departments are in charge of designating their representatives to facilitate the program.

The Figaro Coffee Tree Planting Project

Figaro Foundation’s First Coffee Tree Planting project commenced last August 24, 2024. The full details of this activity will be provided on the next reporting period.

ECONOMIC

ECONOMIC PERFORMANCE

DISCLOSURE	AMOUNT	AMOUNT	UNIT
	2024	2023	
Direct Economic value generated (revenue)	5,450,109,015	4,284,080,714.00	Php
Direct economic value distributed:			
a. Payments to Suppliers and Operating Costs	4,135,523,313	2,953,180,468.00	Php
b. Employee wages and benefits	640,356,951	441,584,160.00	Php
c. Interest payments to loan providers	25,436,709	1,728,647.00	Php
d. Dividends given to stockholders	147,648,293	-	Php
e. Taxes given to government	344,968,377	123,128,036.00	Php
f. Investment to communities (eg. Donations, CSR)	2,105,845	1,143,057.00	Php

Management Approach on Economic Performance

Php million of Php 5.4 billion revenues are funneled towards our key stakeholders, including our business partners, suppliers, stockholders, employees, banks, and government agencies.

The Group continues to make its mark in the industry through the growth of store network and product developments. From the last reporting period, we have 167 number of stores, as of 30 June 2023. For this reporting period ending 30 June 2024, the company operates 205 stores nationwide with an additional 42 stores that opened from 01 July 2023 up to 30 September 2024. Further, 16 stores are still in progress to form part of the 263 target number of stores by the end of the year 2024.

FCG owns 100% of its Subsidiary, thus any negative effect on the Subsidiary's business would greatly affect the financial performance of the Company.

A newly-formed subsidiary of Figaro Coffee Systems, Inc. has also been introduced this year, which is the Figaro Innovation and Development, Inc. (FIDI). It has been recently certified as an Accredited Coffee Exporter by DTI and PEZA with ICO Identification No. 372 from the Department of Trade and Industry. It is authorized to engage in the production of various coffee blends, including House Reserve, Espresso Blend, and French Roast. Further, FIDI's PEZA Certificate of Registration issued on September 7, 2023, certifies that PEZA has duly registered FIDI as an Export Enterprise engaged in the production of roasted coffee such as: (a) House Reserve, (b) Espresso Blend, and (c) French Roast at the Laguna Technopark – Special Economic Zone ("LT-SEZ"). The PEZA Certificate of Registration further states that the registered project or activity of FIDI is entitled to income tax holiday for five (5) years, special corporate income tax for ten (10) years, duty exemption for fifteen (15) years, and VAT exemption and zero rating for fifteen (15) years, subject to the representation and commitments set forth in FIDI's application for registration, the applicable laws and regulations, and the terms and conditions of the Registration Agreement. FIDI plans to start commercial operations within September 2023.

Climate Related Risks and Opportunities

The impacts of climate change in the Philippines are immense. Heavy rainfall and floods are just some of the major impacts which also is a risk to our business.

We are committed to driving down our energy and carbon impacts, as we believe that climate change is one of the greatest risks to our world. The company supports a vision to be net zero carbon and to reduce our greenhouse emissions. Our sustainability program is committed to environmentally sustainable initiatives that deliver near-term efficiency, value, and health for our business, tenants, and community.

Climate change is a priority issue for our business. We have a long-standing strategy to reduce our carbon footprint. We approach this challenge by reducing the impact we have on climate change; by identifying the risks of a changing climate has on our business; and by collaborating with key stakeholders to amplify our actions. Our climate strategy supports our sustainable agriculture, water, and waste strategies.

We are committed to driving down our energy and carbon impacts, as we believe that climate change is one of the greatest risks to our world. The Company supports a vision to be net zero carbon and to reduce our greenhouse emissions. Our sustainability program is committed to environmentally sustainable initiatives that deliver near-term efficiency, value, and health for our business, tenants, and community. As part of the Group's mindful consumption of natural resources and reduced paper usage, we highly practice paperless transactions by digitalizing check preparation and invoicing.

Our business is a contributor in the emission of greenhouse gas emissions, be it direct or indirect, beginning from our business partners, including suppliers and franchisees, up to our consumers. To help the environment and in line with FCG's ESG Policy that embodies our sustainability advocacy, we have established specific Company policies on different aspects of our business – whether our water, waste, or energy conservation efforts. These Company Policies and Guidelines being strictly implemented by the Group include (i) Stores Proper Waste Management Policy, (ii) Commissary Proper Waste Management Policy, (iii) Waste Management & Disposal Guidelines, (iv) Drainage System Guidelines, (v) Waste Segregation & Disposal Guidelines, (vi) Waste Collection Guidelines, (vii) Waste Transportation Guidelines, and (viii) Water Safety Policy

PROCUREMENT PRACTICES

DISCLOSURE	QUANTITY 2024	QUANTITY 2023	UNIT
Percentage of Procurement Budget used for significant locations of operations that is spent on local suppliers	66.84%	57%	%
	Local	Local	
	33.16%	43%	
	Imported	Imported	
	100% (Procurement Budget)	100% (Procurement Budget)	

The Company sources all its materials both local and imported ingredients for its products through FCG's accredited local suppliers and distributors.

The Company uses raw materials that are manufactured locally and abroad. All of the Company's supply of fresh vegetables, processed meat, and coffee beans are sourced locally from our accredited local suppliers, while our supply of dairies, mozzarella, cream cheese, frozen spinach, and shrimp are imported from foreign suppliers through our accredited local distributors. With store expansion, the Company strengthened its local procurement of materials and ingredients and started importing packaging this year. The Company prioritizes providing opportunities for local products to be recognized nationwide. Our store equipment, furniture, and fixtures are likewise manufactured overseas but we procure through local distributors as well. Meanwhile, our stainless equipment is locally fabricated. The following summary provides details on the percentage of our procurement budget spent on local and imported materials:

LOCAL	2024 %	2023 %	IMPORTED	2024 %	2023 %
Perishable (vegetables, processed meat, coffee)	51.09%	41%	Perishable (dairies, shrimp, frozen spinach)	27.71%	37%
Non-perishable	6.11%	5%	Non-perishable	0.72%	1%
Equipment	2.57%	1%	Equipment	4.52%	6%
Packaging	7.12%	8%	Packaging	0.22%	0.20%

Management Approach on Procurement Practices

Food Safety is a top priority and we dedicate significant resources, including our supply chain team and quality assurance team, to help ensure that our customers enjoy safe, quality food products. We have taken various steps to mitigate food quality and safety risks, including having personnel focused on this goal together with our supply chain team. Our stores undergo third-party food safety reviews, internal safety audits, and routine health inspections. We also consider food safety and quality assurance when selecting our suppliers.

Maintaining a high degree of quality in our stores depends in part on our ability to acquire from reliable suppliers' ingredients and other necessary supplies that consistently meet our specifications. We carefully select suppliers based on quality and their understanding of our brand, and we seek to develop mutually beneficial long-term relationships with them. We work closely with our suppliers and negotiate the terms of our contracts consistent with the industry standards. We rely on key suppliers for certain raw materials. We do not depend on a single supplier that would have a material adverse effect on its operations. Despite having key suppliers, we do not have any exclusive supply agreements and instead have several suppliers for each key raw materials and equipment needs.

To ensure high quality and safe materials, supplies, equipment, and services by accrediting suppliers and regularly evaluating their performance. The procedure covers the activities from the assessment of the application for accreditation to the evaluation of the performance of accredited suppliers. They are also being audited by our Quality Assurance Department based on a comprehensive Assessment Checklist to make sure that suppliers meet the set standards.

As of date, FCG engages local suppliers and distributors for all of the raw materials needed for our products. Fresh vegetables are sourced from Baguio, Cavite, and Nueva Ecija for the NCR stores and Commissary, while for our provincial stores in Visayas and Mindanao region, we give priority to the communities and local markets in their respective areas to supply fresh products once approved by our Purchasing Department and R&D Team. Further, our supplier for mozzarella, whom we are giving about 70% of our consumption, is now being produced locally.

In addition, the Company has continued to champion the local Barako coffee and now offers a wide selection of different coffee flavors, as our Figaro Coffee brand has become the epitome of what a world-class global homegrown Filipino brand can become. We source our coffee beans from local suppliers that have passed our stringent accreditation standards to ensure that every batch of coffee beans supply has passed our strict Quality Assurance. We have no long-time warehousing, we do not import roasted coffee and we do not use broken or old green beans. We roast our coffee in our own roasting facility, and directly supply each of our Figaro Coffee branch and other stores serving our brand.

The Company's Procurement Team is also working on finding additional suppliers for our expansion plans. The Company considers suppliers who not only qualify based on our criteria and standards for accreditation of suppliers, but also those who share the same vision and goals as the Group.

ANTI-CORRUPTION

DISCLOSURE	AMOUNT 2024	UNITS
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

Management Approach on Anti-Corruption

FCG ensures that all Rules and Regulations, including our Anti-Corruption policies, are properly cascaded to new employees during employees' orientation. The Company likewise ensures that FCG's Business Integrity principles are integrated into the engagements, contracts, and dealings among franchisees, suppliers, service providers, and government authorities. FCG strongly abides with its Code of Business Conduct and Ethics ("Code") which upholds Business Integrity at all times through its commitment that, "any form of corruption, extortion and embezzlement shall be prohibited. We shall not offer, pay, or accept bribes or participate in other illegal inducements in business or government relationships. We shall work against corruption in all its forms."

Incidents of Corruption

DISCLOSURE	AMOUNT 2024	UNITS
Number of incidents in which directors were removed or disciplined for corruption	0	%
Number of incidents in which employees were dismissed or disciplined for corruption	0	%
Number of incidents when contracts with business partners were terminated due to incidents of corruption	0	%

Management Approach on Incidents of Corruption

As of date, there has been no incident of corruption involving our directors, employees, and business partners. The Company's HR Policies provide the appropriate procedures and sanctions for violations of the Company Policies and Code that will be accordingly implemented by Management should there be any incident of corruption.

ENVIRONMENT

RESOURCE MANAGEMENT

We have a long-term environmental performance target for the portfolio that addresses energy and water consumption. To achieve our targets, each of our properties is monitored regularly by our third-party consultants. Water Potability sampling, testing, and monitoring are done on a monthly basis by our accredited service provider, Scientia Tech. Water Potability and LPG usage of the Company are also being monitored by the accredited service providers endorsed by the respective LGUs where the Company's stores or branches are located. The Company's LPG or gas line suppliers likewise conduct monitoring and inspection of our stores.

Energy Consumption within the organization

DISCLOSURE	AMOUNT 2024	AMOUNT 2023	UNIT	REDUCTION
Energy consumption (LPG)	667,450	437,417	Kls	-
Energy consumption (Diesel)	242,861.83	153,448.61	Liters	-
Energy consumption (Electricity)	23,833	23,082.13	GJ	-

Increase in the consumption of LPG, Diesel and Electricity is brought about by increasing number of stores.

Management Approach on Energy Consumption

Our corporate office, stores, and commissaries run primarily on electricity, LPG, and gasoline. The Company is committed to ensuring efficiency in energy consumption for its business operations and will continue to study and find ways to be even more efficient in the use of energy resources. Our energy consumption initiatives include energy retrofits, energy management system upgrades, and equipment upgrades. We have adopted sustainability policies for our head office and all corporate and franchise stores that include criteria such as energy-efficient lighting and appliances, water-efficient fixtures, recycling programs with 3rd party service providers, and e-waste collection events which promote a healthy, safe working environment for all. We also consistently encourage our employees to conserve electricity not just to help the environment but also to optimize the operating expenses of the Company. The Management believes that efficiency in energy consumption is significant in the sustainability program of the Group.

The increase in electricity consumption for this reporting period is due to the following reasons: (i) acquisition of various kinds of updated equipment, (ii) opening and/or expansion of physical stores/dine-in areas to accommodate more guests and walk-ins since the lifting of the state of public health emergency, and (iii) week-long store operations, including 24-hours stores schedule and activities in line with the store network expansion. One of the cost reductions implemented in all stores and the head office is the fire up fire down policy, ensuring that not all equipment and outlets are being used simultaneously.

Water consumption within the organization

DISCLOSURE	QUANTITY 2024	QUANTITY 2023	UNIT	REDUCTION
Water consumption				
Stores (Figaro Coffee, Angel's Pizza, Tien Ma's and Café Portofino)	391,498.34	387,548.85	m ³	
FCG Head Office (Corporate Offices Commissary and Angel's Pizza Mayon branch)	17,393	13,613	m ³	

Management Approach on Water Consumption

Water is a critical resource in the Company's business. The programs for efficiency in energy consumption likewise cover the Company's water consumption management, which includes the efficient use of water by our employees and the implementation of water conservation measures in our stores. The Company regularly monitors water usage through checking of the water bills of the stores on a monthly basis.

The increase in water consumption reported for this period is mainly due to the increasing number of operating stores inside and outside Metro Manila and the placing of additional staff for each store. Implementing 24-hour store operations is likewise a major factor. Further, when store sales increase, water and electricity consumption also increase correspondingly.

ENVIRONMENTAL IMPACT MANAGEMENT

Solid and Hazardous Waste

DISCLOSURE	AMOUNT 2024	AMOUNT 2023	UNITS
Total solid waste generated	552904.50	448,672	kg
Reusable	No available information	No available information	kg
Recyclable	No available information	No available information	kg
Composted	No available information	No available information	Kg
Incinerated	No available information	No available information	kg
Residuals / Landfilled	552904.50	448,672	kg

The Company is committed to ensuring the safety of all consumers and workers and maintaining the highest quality of raw materials used in food processing. Wastes generated from store operations are collected by third-party waste collection service provider, IPM Hauling Services owned by Renato Malabanan duly certified and accredited by the Department of Environment and Natural Resources - Environmental Management Bureau (DENR-EMB), who handle and manage the proper treatment, storage, and disposal of the waste. The Management ensures that these selected providers engaged by the Company are government-certified and adhere to the strict waste management, treatment, storage, and disposal guidelines and regulations. In addition, the stores also implement waste segregation, in which all store personnel and managers are responsible for identifying waste materials.

Management Approach on Environmental Impact Management

Environmental impact may be hard to limit yet we are finding ways to manage our emissions through reducing our energy consumption as much as we can. We are also looking into using only highly efficient and energy-saving equipment as we purchase for our newly built stores and for the renovation of old stores.

The FCG corporate office, commissary, and stores are fully compliant with the environmental requirements and permits prescribed by the government. The Company secures all required permits and licenses, including, but not limited to, Business Permit, Environmental Clearance, Locational Clearance, and Sanitary, Occupancy, and Fire Permits, and complies with all applicable operational and reporting requirements prior to any store openings. Annual and periodic inspections are conducted by the respective LGUs and relevant government authorities prior to the renewal of these permits to ensure our compliance with the business operations standards and requirements, that are relevant to our overall environment impact management.

Our existing systems in place, such as the ESG Manual and all supporting policies and guidelines including the Proper Waste Management Policy of our stores and commissaries, Guidelines for Waste Segregation and Disposal, and Guidelines for Drainage Systems, Waste Water, and Hazardous Waste, ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emissions, and wastewater discharges. Any waste, wastewater or emissions with the potential to adversely impact human or environmental health must be appropriately managed, controlled, and treated prior to release into the environment. We likewise

have existing systems to ensure safety in handling, storage, and releasing of hazardous materials, as well as procedures to manage and contain accident spills and releases as stated in our Sanitation Standard Operating Procedures. These Guidelines are being reviewed and updated to improve the Company's environmental impact management.

Also, as a matter of policy, our Company has initiated and implemented lesser use of paper and plastic cups at work. We have a long-term established proper waste management for used oil. The local government strictly implements that oil waste shall not be disposed of, thus there is a corresponding penalty for noncompliance. In this regard, we have accredited oil waste collection service providers for our head office and stores in NCR, while the provincial stores have their respective accredited waste collection service providers. A minimum of three cans of used oil are sold every Monday and Thursday to accredited collectors and eventually used for Biodiesel and feeding of farm animals. For used oil, collection is done by Caranzo Trading for Metro Manila, Cavite, Bulacan and Rizal areas and a privately owned service provider for stores located in Pampanga, Urdaneta, Tarlac and San Miguel.

Furthermore, the stores, commissary, and warehouse are the primary departments that continue to practice extensively the recovery of scrap since its implementation as one of the ways to reduce the environmental impact of operations and productions. Our Internal Audit Department initiated and headed the program to closely monitor the process and ensure both the effectiveness and efficiency of this project.

ENVIRONMENTAL COMPLIANCE

Non-compliance with Environmental Laws and Regulations

DISCLOSURE	QUANTITY 2024	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	#
No. of cases resolved through dispute resolution mechanism	0	#

Management Approach on Environmental Compliance

The Company views good governance as essential to creating and preserving value for our shareholders and other stakeholders. This includes a committed approach to corporate governance that complies with all applicable laws, rules, regulations, and policies as well as unwavering adherence to our values. Thus, we are committed to fully comply with all applicable environmental rules and regulations covering all of our business operations. Prior to store openings, all required environmental, business, fire, sanitary, and occupancy permits, licenses, and locational clearances are obtained. To facilitate the government's annual inspection of our business and the smooth renewal of permits, the Group consistently abides with the environmental laws and regulations, without any violation.

SOCIAL

EMPLOYEE MANAGEMENT

Employee Hiring and Benefit

Employee Data

DISCLOSURE	QUANTITY 2024	QUANTITY 2023	UNITS
Total number of employees	2,237	2271	
a. Number of female employees	1,080	1089	#
b. Number of male employees	1,157	1182	#
Attrition rate	20	7.99	Rate
Ratio of lowest paid employee against minimum wage	0	0	Ratio

Management Approach on Employee Hiring and Benefits

A deep commitment to social responsibility is core to who we are as a Company. We believe that our people are at the heart of our business and take pride in our outstanding work culture. We strive to be an optimal employer to our employees, and business partners, as well as a valued partner to our communities.

We provide equal employment opportunity (EEO) to all employees without regard to gender, sexual orientation, religion, ethnicity, age, disability, or marital status in accordance with our ESG Manual and applicable government regulations. We embrace and value diversity in all its forms, regardless of gender, age, marital status, ethnicity, or cultural background. Equal opportunity is integral to our recruitment process, as we aim to develop a community of diverse talent. We seek to maintain a positive workplace, free from discrimination and harassment. We champion pay equity and mutual respect, promoting an environment of fairness and equality. Our commitment to diversity and inclusion applies to the highest levels of the organization, including at the board level, where we recognize that diversity strengthens board performance and promotes long-term shareholder value. In an era where social media is a powerful tool to find qualified jobseekers, we ensure to post the right job qualifications that are respectful to anyone who can see our job advertisement.

We contribute positively to the promotion of social responsibility in the community in which we live and work by supporting activities and programs geared towards community welfare and environmental protection. Also, the Company, particularly our stores across all brands, prioritizes hiring locally to provide job opportunities to the community. We ensure that employees are assigned to the nearest branch from their residence.

The hiring, training and development of FCG directly affect the efficiency and productivity of our operations. The Company's rules and regulations ensure, among others, that employees are well informed with respect to salary and benefits. Individual KRA Assessment is also being done monthly aside from the Performance Evaluation which is done quarterly which assesses the level of performance done by the employees which will be the basis if they are qualified for incentives and/or salary increases.

As we are still in the phase of recovery from the pandemic, the health and safety of employees remain the utmost priority of FCG. Despite the pandemic, we made sure that training is given to employees to educate them such as First Aid conducted by the Philippine Red Cross and Basic Occupational Safety and Health by DOLE to promote safety and health in the workplace. We conduct Annual Physical Exam for all employees which helps both the Company and the employees to be well-informed on their health conditions. To protect oneself and everyone in cold and flu season in the Philippines, the company conducts an annual discounted vaccination for employees and their dependents.

DISCLOSURE	Y/N	% of female employees who availed for the year 2024	% of male employees who availed for the year 2024
SSS	Y	1%	2%
PhilHealth	Y	1%	2%
Pag-Ibig	Y	2.31%	3.03%
Parental Leaves	Y	0.0%	0.0%
Vacation Leaves*	Y	32%	54%
Sick Leaves*	Y	16%	23%
Medical Benefits (aside from PhilHealth)	Y	14.81%	19.45%
Housing Assistance (aside from Pag-ibig)	Y	N/A	N/A
Retirement fund (aside from SSS)	N	N/A	N/A
Further education support	N	N/A	N/A
Company stock options	N	N/A	N/A
Telecommuting	N	N/A	N/A
Flexible working hours	N	N/A	N/A
(Others)	N		

*Vacation leave and sick leaves are paid if not used.

The housing assistance that the Group provides for the employees from the head office is the Company’s affiliated which is the Charmview Building. This provides safe and comfortable accommodation for employees to avoid commuting from their hometown to the office.

Compensation and Benefits

The Group sets a competitive and market-based compensation system that is anchored on the principle of equal pay for substantially equal work, in conformance with legally mandated regulations on condition of employment. We offer competitive compensation and benefits to all regular full-time employees, including but not limited to paid holiday, vacation, and sick leave, retirement savings plans, and medical, dental, and vision coverage. Employee incentives are continuously evaluated to ensure the necessity, fairness, and adequacy of such incentives.

Employee Training and Development

DISCLOSURE	QUANTITY 2024	UNITS
Total training hours provided to employees		
a. Store Staff	240	Hours/employee
b. Management Trainees	360	Hours/employee
c. Office Staff	8	Hours/employee
d. Food Safety / Commissary Staff	160	Hours/employee

Management Approach on Employee Training and Development

At FCG, employee training both for operations and office staff is vital for the employees to perform at their best. When it comes to promotion, the Management focuses on giving the opportunity internally before posting on job portals for external hiring to recognize the performance of existing employees.

We manage the development of our employees through the following processes:

1. Monthly KRA assessment is conducted to assess the performance of employees. They are evaluated by their supervisors and given appropriate commendations and/or recommendations.
2. Quarterly / Semi-annual Performance Evaluation is also conducted to assess the quality of work of the employee. Recommendations such as salary increases and/or additional allowances are given depending on the results of the evaluation.
3. We also provide continuous learning opportunities to employees such as virtual seminars during the pandemic. Face-to-face seminars are also conducted whenever possible.

To ensure consistent quality in our services, our managers undergo a Basic Supervisory Skills Training Program which is a three-month intensive training program covering, among others, the Figaro Group's philosophy, concept, and established procedures. For franchise, our Franchise Relations Team provides operations and marketing support, on-site consultations, and spot quality assurance audits of all the stores under the Figaro Group's brands. We have a Safety Officer from the Quality Assurance Department who regularly attends seminars to improve our safety measures. This has become crucial to our operations, especially during the COVID-19 pandemic.

We also organize and conduct training programs in coordination with our major suppliers of equipment for Basic Knowledge and Training on Proper Equipment Handling, Usage, and Maintenance. We prepared a Training Kit which serves as a starter pack to orient the trainees. For personal and team growth, Training Seminar and Refresher Courses have been continuously provided. For promotion opportunities, complying with the process of Human Resources and Admin Department is essential to ensure fairness, transparency, and satisfaction among staff. Employees can submit application requirements to present their eligibility. Then, the employees will be scheduled for an interview and examination to assess their readiness to advance their careers.

Food safety is a top priority and we dedicate significant resources, including our supply chain team and quality assurance teams, to help ensure that our customers enjoy safe, quality food products. We have taken various steps to mitigate food quality and safety risks, including having personnel focused on this goal together with our supply chain team. We have developed processes and procedures to train our employees on the techniques required to effectively operate our kitchens. Our Training Department redesigns course outlines and comes up with new training programs for the continuous development of store staff. This 2024, a new training program has been implemented for Management Trainees of Angel's Pizza, with a longer training period to further prepare them for customer service practices, food preparation, and managerial roles. Our Manager Training Program adheres to the following curriculum:

1. Company Orientation
2. Basic Behaviour
3. Legendary Standards
4. Company Rules and Regulations
5. WOW Experience

This Training Curriculum provides the following training points:

- Introduction / Orientation
- Customer Service
- Product-specific Training
- Food Preparation
- Social Responsibility
- Cashier Training
- Product Quality Assessment
- Inventory Training

List of Training and Refresher courses conducted this reporting period:

- POS and Cashing Refresher Course
- Customer Service Training
- Rider's Refresher Course
- Building the Brand and Personality Development
- Manager's Refresher Course
- People Development
- Hazard Analysis and Critical Control Points (HACCP)
- Art and Science of Milk Steaming
- 5S Module
- Figaro Coffee 101
- Food Prep Refresher
- Complaints Management & HR Policies
- Standard Training Flow

Labor Management Relations

DISCLOSURE	QUANTITY 2024	UNITS
% of employees covered with Collective Bargaining Agreements	None	%
Number of consultations conducted with employees concerning employee-related policies		
For Corporate store personnel	Twice per month per store/area	#
Head Office personnel	Weekly	#

Management Approach on Labor Management Relations

Communication is the best way to actively engage with all employees. At FCG, we keep communication channels open throughout the Company through Department Heads and the HR Team to be constantly aware of the employees' well-being and to foster healthy professional relationships. Among others, providing employees with an open line of communication in voicing out their opinions allows Management to manage expectations and risks in relation to labor relations.

DISCLOSURE	QUANTITY 2024	UNITS
% of female workers in the workforce	48%	%
% of male workers in the workforce	52%	%
Number of employees from indigenous committees and/or vulnerable sectors*	0	#

*Vulnerable sectors include elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

Management Approach on Diversity and Equal Opportunity

As a Company with a workforce of employees as of 30 June 2024, the Human Resources Department plays a vital role throughout the hiring process up to the development and promotion of employees. We provide equal employment opportunity to all employees regardless of gender, sexual orientation, religion, ethnicity, age, disability, and marital status. Equal opportunity is integral to our recruitment process as we aim to develop a community of diverse talent. We provide a workplace free of harassment, discrimination, and harsh and inhumane treatment.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

DISCLOSURE	QUANTITY 2024	UNITS
Safe Man-hours	4,547,360	Manhours
No. of work-related injuries	7*	instances
No. of work-related fatalities	0	#
No. of work-related ill-health	0	instances
No. of safety drills	2	#

*The 7 work-related injuries pertain to minor injuries related to (i) equipment use during operation of the unit, (ii) vehicle sustained injuries of a delivery rider, and (iii) slip/fall accident.

Management Approach on Occupational Health and Safety

FCG gives importance to the health and safety of its employees. The Company provides continuous training to all staff from store level up to office level to educate them on the importance of Health and Safety. A local unit of the Bureau of Fire Protection is invited yearly to host a seminar on the preparedness of the employees and facilities for earthquake and fire with the facilitation of the Company’s health and safety officers. Right after the seminar, a simulation is being done to assess the knowledge and emergency preparedness of the employees. The Company’s Safety Committee likewise ensures that appropriate safety measures are in place and that we always maintain a safe and sustainable working environment.

As stressed in this report, food safety is a top priority of the Group, and we dedicate significant resources, including our supply chain team and quality assurance teams, to help ensure that our customers enjoy safe, quality food products, as well as the health and safety of all our employees. We have taken various steps to mitigate food quality and safety risks, including having personnel focused on this goal together with our supply chain team. Our stores undergo third-party food safety reviews, internal safety audits, and routine health inspections. We have developed processes and procedures to train our employees on the techniques required to operate our kitchens effectively and in compliance with strict health and safety standards.

Labor Laws and Human Rights

DISCLOSURE	QUANTITY 2024	UNITS
No. of legal actions or employee grievances involving forced or child labor	0	#

Management Approach on Labor Laws and Human Rights

The Company and its business partners support and respect the internationally recognized human rights principles and practices that promote and protect human rights, and ensure that we are not complicit in human rights abuses.

Our Human Rights Policy reflects our long-standing dedication to the preservation of basic rights and human dignity in our workplace and beyond. The Figaro Group holds human rights to be an essential component of our business. The Code of Business Conduct and Ethics policy applies to our operations and affiliates in all assets we own and operate.

SUPPLY CHAIN MANAGEMENT

Supplier Accreditation Policy of the Organization

TOPIC	Y/N	If YES, cite reference in the supplier policy
Environmental Performance	Y	Supplier Selection and Accreditation Purchasing Manual on Materials Management
Human rights	Y	Supplier and Purchase Agreements
Bribery and corruption	Y	Supplier and Purchase Agreements

Management Approach on Supply Chain Management

From our supply chain, commissary, manufacturing, and logistics, we are fully integrated to ensure high-quality products and services, and to maximize efficiency and optimize costs. Through technology, the Company integrates outside partners as well as internal departments to always be up to speed on data analytics needed for quick decision-making and resolution of issues.

The Company expects all of its business partners to exhibit the same values of fairness, transparency, accountability, and integrity, as a condition of their engagement. Our business partners must be aligned and demonstrate compliance with the Company's principles and standards as stated in the FCG Code as a condition to their continued business relationship with the Company, as well as apply the Code to the parties with whom they work in providing goods and services to the Company. Our business partners must value the health and safety of human beings and the protection of the environment. They must adhere to effective and efficient management systems to meet contractual obligations, facilitate continual improvement, and uphold the image and brands of the Company. Our management approach in cost reduction in this particular area, is to maintain at least three to four alternative suppliers to minimize the product and supply costs. Also, the Purchasing Department is tasked with using and providing canvass sheets that will be reviewed regularly by the Internal Audit Team. Additionally, the Internal Audit Team conducts supplier plant audits to assess whether the suppliers have concrete investments in manufacturing plants and facilities, which support the organization's goals of ensuring quality, stability, and consistency.

To facilitate the selection of our business partners, a summary of FCG's general accreditation process is provided below:

1. FCG shall deal only with legitimate, reputable, reliable, competent, and responsible suppliers who will pass the prescribed accreditation process.
2. Product samples are presented by the potential suppliers and must undergo product testing through R&D (Research and Development Department) for the evaluation of the products.
3. Potential suppliers must present all documentary requirements that establish their legal capacity to contract and operate their business and in compliance with Good Manufacturing Practice (GMP) in respect of its facilities and manufacturing processes. The required documents shall be updated regularly.
4. A facility audit or onsite visit shall be conducted as part of the accreditation process to survey the premises, structures, equipment, and personnel as well as the procedures in relation to production, receiving, storage, distribution, and compliance with the statutory requirements with respect to operations.
5. Suppliers who satisfactorily have passed the assessment with product samples that meet standards will proceed with the accreditation process.

RELATIONSHIP WITH COMMUNITY

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)	Does the particular operation have impacts on indigenous people? (Y/N)	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Manpower (stores)	Cities where stores are located (NCR, Luzon, Visayas and Mindanao)	-	N	-	-
Supplier (Local suppliers/markets)	- Baguio/ Benguet - Nueva Ecija - Cavite - Davao - Cebu - Palawan - Oriental Mindoro - Tagum - CDO - Local suppliers and markets where community stores are located	-	N	-	-

**Vulnerable sectors include elderly, persons with disabilities, vulnerable woman, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).*

Management Approach on Significant Impacts on Local Communities

We have a long history of providing meaningful, and often transformational, support to communities in which we operate. As reported in the previous section on procurement practices and CSR activities, our commissary and stores across all our brands, particularly our provincial stores, provide business opportunities to the local markets for the supply of raw materials, such as coffee beans, vegetables, and processed meat. Our supply of vegetables for our NCR stores is sourced from Baguio, Cavite, and Nueva Ecija, Cebu for the Visayan region, Davao, Tagum and CDO from the Mindanao region. FCG is committed to promoting and sustaining the Angkat sa Baguio initiative in support of the farmers in Baguio, Benguet, and the rest of the Cordillera Administrative Region. Our provincial stores source fresh vegetables directly from the local community markets where the stores are located. As further reported above, the Company has continued to champion the local Barako coffee. We source our coffee beans from local coffee beans suppliers that have passed our stringent accreditation standards. The Company's Procurement Team is also working on finding additional suppliers from local communities to support our expansion plans. In 2023, the Company has marketing collaborations with Pepsi-Cola Products Philippines, Inc. and Nestle Philippines. One of the engagements with Pepsi-Cola is to promote health and wellness by replacing 7Up with Sugar with 7Up No Sugar for customers who still want to enjoy their favorite drink but considering their sugar consumption. To further promote the livelihood of our local farmers, we are pleased to add to the list our new vegetable supplier from Cavite. As for this reporting period, all Figaro Coffee corporate stores will have an exclusive tie-up with Booky and UnionBank to offer a variety of exciting promo in the market. Company-owned selected Angel's Pizza branches have participated in the initiatives with Foodpanda such as the 20% off customer-targeted discounts and Foodpanda's fully funded voucher, PICHAPIE and EATNA promotions. This shows the Company's continued excellent engagement with customer-friendly platforms and commitment to providing high-quality customer experience.

Our operations have also provided business opportunities and instruments for wealth creation for our franchisees in the Philippines and abroad. Our provincial franchisees are men and women in their respective cities and provinces who share the same vision as the Company to provide quality and sustainable food and food services to Filipinos throughout the country.

Further, as likewise cited above, the Company prioritizes hiring locally, particularly in the areas where our stores are located, thus, providing job opportunities to these communities. As a matter of policy, our employees are assigned to the nearest branch from their residence.

CUSTOMER MANAGEMENT

FCG strives to be the customer's preferred choice. We listen to our customers to understand and anticipate their needs. Customers choose us because we provide them with products and services that exceed their expectations.

Customer Satisfaction

DISCLOSURE	SCORE	Did a third party conduct the customer satisfaction study (Y/N)
Customer Satisfaction	See discussion below	N

In line with our mission "to deliver quality, innovative and value-for-money food favorites that every customer will love and want to share", the Company has established programs to assess and monitor customer satisfaction, including our Store and Quality Audit Monitoring, Mystery Shopper Program, Customer Feedback, and social media monitoring.

Through our Mystery Shopper Program, we are able to determine and measure the quality of service and gather specific information about the products and services being offered in our corporate stores from external parties. This is our principal method for identifying customer service behaviors, measuring employee

performance, and evaluating ways to improve and promote excellence in customer service and customer satisfaction is the Store and Quality Audit Monitoring, headed by the Quality Assurance Department. This is a comprehensive summary of reports which include the ranking of stores based on the findings of the audit made. Issues within the stores such as customer complaints are being addressed in this internal monitoring. The frequency of this internal initiative is done three times a month to both Corporate and Franchisee-owned stores. Stores that received a failed score shall fill out the Corrective and Preventive Action Report (CPAR). This gives the chance for every brand to analyze the root cause of all deviations that were seen in their respective stores and present their corrective actions. CPAR can be used as well to develop a long-term solution to prevent such actions. Our Customer Feedback program is also being implemented in our Corporate and Franchise stores. Aside from customer feedback received directly in our stores, customer complaints, comments, suggestions, and concerns are also being monitored through our Facebook, Instagram, and Tiktok brand/corporate accounts, managed by our Marketing Department and our Call Center's Admin Department. With the assistance of our Area Managers, all customer feedback matters are consolidated on a weekly basis and reported to Management. For product concerns, customers are provided with complimentary gift vouchers for product replacement. Depending on the gravity of the concern, store managers are trained to manage immediate customer concerns. Also, our Digital Marketing Assistants manages FCG's social media activities through our Facebook pages, Instagram, and Tiktok accounts. Our social media platforms enable us to identify customer service behavior, measure employee performance, and conduct appropriate evaluations to improve and promote excellence in customer service and customer satisfaction. Our Rules and Regulations Book governs the service and store staff for appropriate sanctions and penalties that may be imposed for carelessness, negligence of duty, or any actions that can tarnish the brand and customer perceptions.

It is our Company's vision to be a top-of-mind company in delivering happiness to customers and value to partners and shareholders. To be value-oriented is one thing, but to be Customer-Value oriented is a higher level in itself. We make every decision and action regarding our products based on what would be the best for our customers and what would delight them the most. We believe in being obsessed with customer satisfaction and aligning every facet of our strategy and goals with our valued customers. We have received the following awards during this fiscal year period in recognition of our continuous commitment and excellence to realizing our Company's vision:

- 2023 Grab Food Platinum Fan Fave Award
- Operational Awards Critically Acclaimed

Health and Safety

DISCLOSURE	QUANTITY 2024	Units
No. of substantiated complaints on products or service health and safety*	0	#
No. of complaints addressed	-	#

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

Management Approach on Health and Safety

As of date, no complaints regarding health and safety were filed. Despite that, our Food Safety Practices are all fully implemented in all our branches as well as our commissaries, as managed by the Safety Committee headed by the Company's Safety Officer. In case of complaints, we have existing procedures for handling such complaints, and our personnel training includes Crisis Management and Customer Service modules. Health and safety matters that may be raised by customers are part of the weekly monitoring that is reported to Management, as monitored and consolidated by our Area Managers, Marketing Department, and our Call Center.

Marketing and Labeling

DISCLOSURE	QUANTITY 2024	Units
No. of substantiated complaints on marketing and labeling*	0	#
No. of complaints addressed	-	#

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

Management Approach on Marketing and Labeling

As of date, no complaints regarding our marketing activities and strategy have been filed against the Company. Our Marketing Department manages the marketing activities of our Group, including activities through our social media platforms. As stated above, a weekly consolidated report is elevated to Management that includes matters on customer management and the function of marketing to manage and improve customer relations and satisfaction.

Customer Privacy

DISCLOSURE	QUANTITY 2024	Units
No. of substantiated complaints on privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users, and account holders whose information is used for secondary purpose	0	#

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

Data Security

DISCLOSURE	QUANTITY 2024	Units
No. of data breaches, including leaks, thefts, and losses of data	0	#


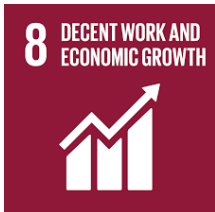
Management Approach on Customer Privacy and Data Security




Our Company respects individuals in a manner consistent with the rights to privacy and data protection. We ensure that information about our customers and business partners are used appropriately for necessary business purposes and shall be protected from misuse to prevent undue harm to individuals such as discrimination, stigmatization, or other damage to reputation and personal dignity, impact on physical integrity, fraud, financial loss, or identity theft. The Company shall continue to strictly enforce its Data Privacy Policy as integrated into our business operations, including FCG's online customer and delivery portals, to ensure full compliance with the data privacy laws and regulations.

UN SUSTAINABLE DEVELOPMENT GOALS

Our philosophy has always been long-term sustainability and business viability. We achieve this through diversification, prudent investing, and growth management. We ensure that capital expenditures will be put to good use to create long-term value for the Company. We expand at our own pace based on what will create the best long-term sustainable value for customers, our shareholders, the Company, and our business partners.

Key Products and Services	UN Sustainable Development Goals	Social Value / Contribution to SDG
<ul style="list-style-type: none"> Purely Filipino and home-grown diversified food group, operating more than corporate and franchise branches nationwide and international territories: Figaro Coffee, Angel's Pizza, Tien Ma's, and Café Portofino stores. Launching the first branch of a Persian concept in Makati called Koobideh Kebabs. FCG ensures high-quality products by controlling our production process, from roasting our own coffee weekly, producing our own breads, pastries, and food products, and engaging with suppliers that meet the same high-quality standards. 	<p>SDG 2: Zero Hunger</p> 	<p>FCG sources raw materials from local farmers and suppliers, like vegetables from Baguio, Nueva Ecija, Cavite, Davao, Cebu, Palawan, Oriental Mindoro, Tagum, CDO and in the local community markets where our provincial stores are located. Our coffee beans are likewise sourced from local coffee suppliers.</p> <p>FCG's weekly feeding program to the urban community of the Baseco compound in Port Area Manila aiming to cater to families and help alleviate the malnutrition problem of our country.</p>
<ul style="list-style-type: none"> Extensive and innovative menu offerings that cater to a wide market – families and groups through our large-sized offerings at Tien Ma's and through our pizzas and bundles at Angel's Pizza; also cater to corporate and private functions/ events through Figaro coffee. Developed three different successful store formats – full store, kiosk, cart, and dual concept. We complement our dine-in services with an efficient delivery system and an expanding online sales platform. 	<p>SDG 3: Good Health and Well-being</p> 	<p>As FCG pursues its mission and vision “spreading happiness through food and value” – we maintain a sustainable working environment and provide high- quality and healthy food products and services to our customers. We have launched new products in 2024, including new product items to supplement our menu of products catering to health-conscious customers, and those who love to explore innovative tastes.</p> <p>FCG continue to offer competitive health care benefit packages for regular full-time employees. Wellness and social programs are integrated into yearly activities of the Company such as basketball league and weight loss challenge. We hold an annual Art of Coffee Competition to showcase the talent and skills of individuals who have passion for coffee mixing and latte art.</p>
<ul style="list-style-type: none"> FCG's Commissary business offers customized and large-volume products to institutional clients in a B2B model. Our products range from rice meals, baked goods, ready-to-eat, frozen food, customized coffee blends, and various coffee solutions among others. 	<p>SDG 4: Quality Education</p> 	<p>FCG values career growth and development and firmly believes in the potential of every employee. Refresher trainings consisting of practical exercises in utilizing present and newly acquired resources and occupational safety practices are constantly provided to store staff. Annual earthquake and fire safety drills are conducted at the head office. Staff from different areas and functions such as office, customer service representative, and commissary staff are encouraged to participate the safety drills.</p>

Key Products and Services	UN Sustainable Development Goals	Social Value / Contribution to SDG
		<p>Board members attend annual training in Corporate Governance to enhance board efficiency.</p> <p>FCG also aims to promote a high quality of education for Filipinos by supporting scholarship programs through its established Foundation.</p>
	<p>SDG 5: Gender Equality</p> 	<p>FCG provides equal opportunity to all employees without regard to gender, religion, marital status, ethnicity, or age. We champion pay equity and mutual respect, promoting an environment of fairness and equality. Our women workforce has equal opportunities for career growth, and women continue to hold critical roles in our senior management team.</p>
	<p>SDG 6: Clean Water and Sanitation</p> 	<p>FCG's ESG Manual and all supporting policies and guidelines including Stores' Proper Waste Management Policy, Waste Disposal Control, and Guidelines for Waste Water and Hazardous Waste, ensure the safe handling, movement, storage, or management of waste, air emissions and waste water discharges. Also providing safe and clean drinking water for all.</p>
	<p>SDG 8: Decent Work and Economic Growth</p> 	<p>FCG provides employment through our stores and store network expansion and sets competitive and market-based benefits, compensation, healthcare, continuous recruitment, and training of employees. We also provide business opportunities for our business partners including local suppliers and franchisees. Our food products showcase Philippine culture and products, including how FCG has championed the Philippine Barako coffee. FCG continues to provide internship programs to college and graduating students from particular schools in Mindoro and NCR as part of their requirements for various degrees, assigning them to the head office or company-owned stores.</p>
	<p>SDG 12: Responsible consumption and production</p>	<p>Continuous strategic sourcing of our raw materials, goods and services while maintaining and improving service levels. FCG's commitment to sustainable practices including strict implementation of Waste Reduction and Proper Waste Management Policy, Waste Segregation and Disposal Guidelines and Drainage System Guidelines to support the</p>

Key Products and Services	UN Sustainable Development Goals	Social Value / Contribution to SDG
		<p>environmental impact management of the Group. FCG’s Procurement and Supply Chain Management policies are also aligned with FCG’s principles and values of fairness, transparency, accountability and integrity. FCG’s Marketing creates responsible product promotions, ad campaigns and strategies.</p>
	<p>SDG 16: Peace and Justice Strong Institutions</p> 	<p>FCG has established corporate governance policies and regulations for all employees across all business units (Operations, Support, Sales, and Business Development), for its Board of Directors, and business partners. Decision-making and processes are guided and supported by the Company’s strong management systems such as business continuity and risk management. Ensure full regulatory compliance for legal and financial aspects of the business.</p>
	<p>SDG 17: Partnership for the Goals</p> 	<p>It is very important for the Group to link up with brands and organizations sharing the same goals and vision as the Company. FCG continues to partner with local communities like Barangay of Baseco, Manila for conducting consistent feeding program to their residences.</p> <p>FCG’s “<i>Anghel ng Buhay Ko</i>” is a special 3-minute documentary about the lives of extraordinary individuals who brings inspiration by helping others in need despite their personal circumstances.</p> <p>Working with well-known non-profit organizations for creating meaningful events and activities. Achieving sustainable and ethical business practices with various accredited business partners.</p>