



**SBS PHILIPPINES**  
CORPORATION

Your Strategic Chemical Supply Partner

# Shaping a **Greener** Path

**Nurturing a Sustainable Future**

*SBS Philippines Corporation's  
2023 Sustainability Report*

# ABOUT THE COVER



SBS Philippines Corporation is steadfast in its commitment to weave sustainable practices of the highest standards into our business operations and growth strategy. Our sustainability approach is comprehensive, touching every facet of our operations. We place our customers at the forefront, delivering top-notch products and services while maintaining ethical business standards. We value our employees immensely and aim to cultivate a work environment that encourages growth, inclusivity, and well-being.

We are resolute in our dedication to make positive contributions to our community through various outreach programs and initiatives. We are also committed to minimizing our carbon footprint and advocating environmental preservation. Collectively, we are paving the way towards a sustainable future.

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# TO STAKEHOLDERS

*“ The board of directors and senior management of SBS have jointly developed the company’s sustainability policy.*

*SBS will consistently employ and integrate the best sustainable practices and standards in the conduct of its business and the pursuit of its growth strategy.*

”

**MR. RICARDO NICANOR N. JACINTO**  
Chairman of the Board



Dear Readers,

In my message to you last year, I pointed out the need for SBS Philippines Corporation to articulate a clearer vision of what we believe sustainability actually means to the company in order to give a sense of direction and focus to the journey that we have undertaken together with you.

I am happy to report that the board of directors and senior management of SBS have jointly developed the company's sustainability policy – which you can read about in this report – to ensure that it will consistently employ and integrate the best sustainable practices and standards in the conduct of its business and the pursuit of its growth strategy. The policy - which covers all directors, officers and employees of SBS – is encouraged to be followed by all of you so that the company's operational practices will support our stated mission of providing the finest range of chemical products and services by upholding the highest standards of safety, environmental responsibility, and customer satisfaction.

And to ensure that this critical area receives the attention it deserves, we have changed the name of the Corporate Governance committee of the board to the Corporate Governance and Sustainability committee to highlight its responsibility for monitoring our sustainability efforts at the board level.

I also mentioned last year that employee involvement is the key to success in achieving our sustainability goals. To this end, I am also happy to report that the board and shareholders had approved an Employee Stock Option Plan which, once approved by the Securities and Exchange Commission, will align employees' interests with that of the company and allow them to share in the value that is expected to be created over time from the implementation of these sustainability practices.

Thank you for your continued support and involvement with SBS Corporation.



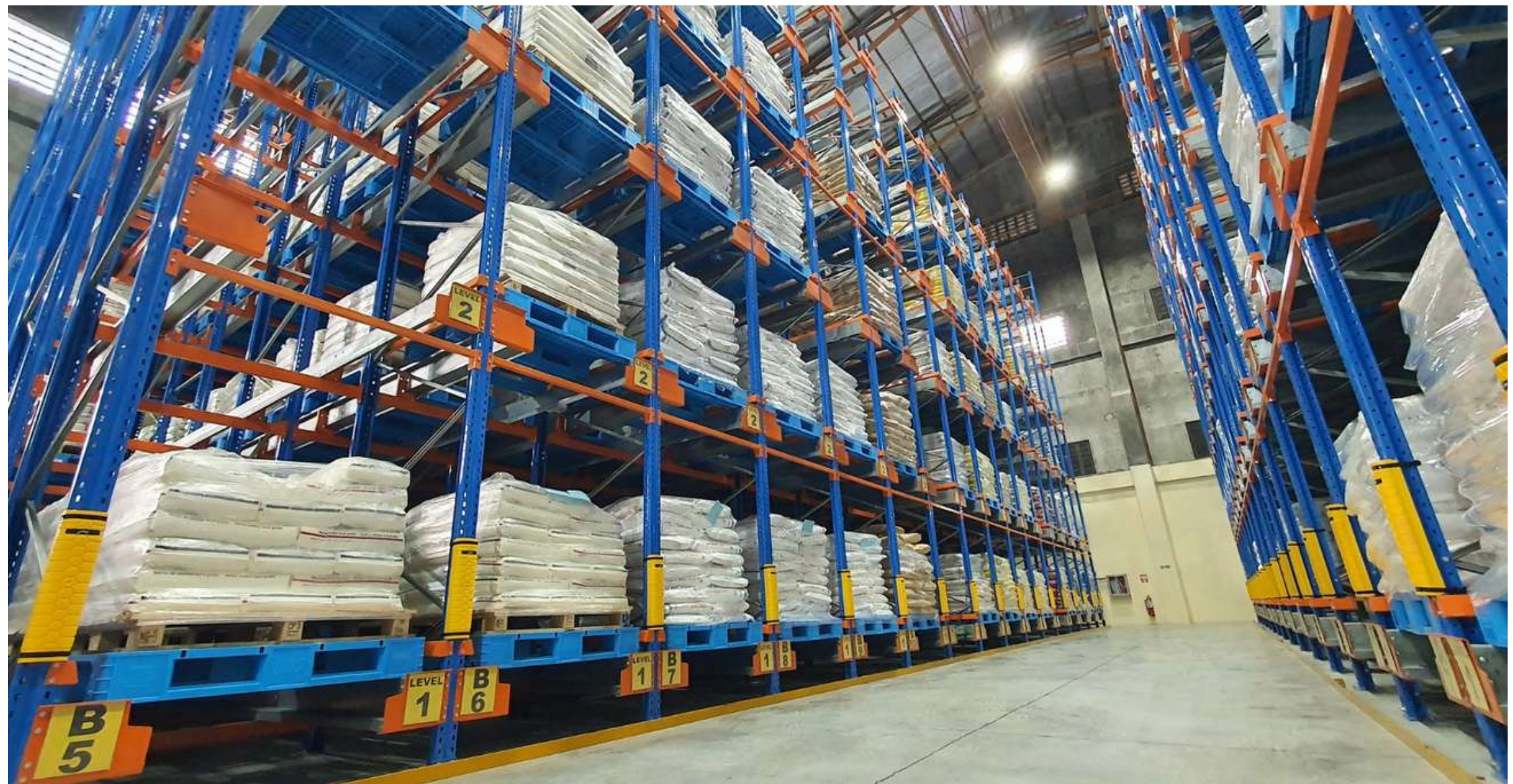
**MR. RICARDO NICANOR N. JACINTO**

Chairman of the Board

## Our Company

SBS Philippines Corporation (the "Company") is an importer, wholesaler, and distributor of a wide range of chemical products serving a diverse set of industries which includes food and beverage, industrial and detergents, feeds and agriculture, water treatment, pharmaceuticals and personal care, building and constructions, and mining and minerals. As a full line chemical distribution company, it provides for a one-stop-shop business solution for various chemical requirements of its market customers.

In step with best Corporate Governance practices, we recently revisited and restated our Company Vision, Mission and Core Values statements to more clearly reflect our beliefs and aspirations as a Company and provide a clearer reference point for all that we do to build and sustain our future.



To be the leading strategic chemical solution partner by 2030, recognized as among the top 5 suppliers in each of the major industries we serve.

## VISION

## MISSION

SBS is dedicated to providing the finest range of chemical products and services while upholding the highest standards of safety, environmental responsibility, and customer satisfaction. We aim to be the go-to partner for businesses seeking chemical solutions that drive progress, protect the environment, and enhance safety. Our success is measured not only in profit but also in the positive impact we make for our stakeholders and in the communities where we operate.

We will accomplish our mission by:

- Distributing a wide range of top quality, innovative and cost-efficient products, solutions and systems.
- Extending reliable customer service at all times.
- Nurturing strong, long-term relationships with suppliers, customers and other stakeholders.
- Ensuring the safety and well-being of our employees.
- Expanding our geographical reach by seeking new markets and opportunities.
- Actively managing all identified forms of corporate and environmental risks.

## GOALS

## CORE VALUES

- Customer-centric Mindset
- Honesty and Integrity
- Excellence
- Perseverance
- Mutual Respect and Teamwork
- Faith in God Almighty

## Our Sustainability Policy

SBS Philippines Corporation takes a holistic approach to sustainability, as detailed in our Sustainability Policy ([SBS sustainability policy](#)). Our focus on Environment, Social, and Governance (ESG) standards is a top priority, recognizing the importance of these criteria in measuring our impact on society and ensuring long-term success.

### Our Commitment

- Provide service excellence and continuously seek new business opportunities to improve the Company's financial viability and maximize shareholder value.
- Prioritize the introduction of sustainable products and solutions to offer our customers access to eco-friendly and safe raw materials, additives, and process aids across the entire value chain.
- Operate the company in a safe working condition that protects the health and well-being of our employees, service providers and the communities we operate in.
- Create a dynamic workplace environment anchored on a diverse and passionate workforce, investing in our employees' professional and personal development, and respecting every employee's fundamental right at work.
- Promote a strong corporate governance culture and conduct its business following ethical business principles across the organization.
- Intensify our action in support of circular economy and invest in appropriate technology to reduce greenhouse gases emission and enhance the use of available environmental protection initiatives needed as a result of our operations.
- Collaborate with our business partners, customers, local communities, regulators, civil society, shareholders and other stakeholders to advance all efforts including our Corporate Social Responsibility activities in support of United Nation's Sustainable Development Goals.



## Organizational Profile and Business Activities



SBS Philippines Corporation (the “Company” or “SBS”) - formerly known as Sytengco Philippines Corporation - was incorporated on July 17, 2001. The change to its present name was approved by the Securities and Exchange Commission (SEC) on November 18, 2014, while the Company became a publicly listed company and was admitted to the Main Board of the Philippine Stock Exchange on August 10, 2015.

The Company has the following industry memberships:

1. Philippine Rubber Industries Association, Inc. (PRIA)
2. Philippine Chamber of the Pharmaceutical Industry, Inc. (PCPI)
3. Chamber of Cosmetics Industry of the Philippines, Inc. (CCIP)
4. German-Philippine Chamber of Commerce and Industry, Inc. (GPCCI)
5. Samahan sa Pilipinas Ng Mga Industriyang Kimika (SPIK)
6. Philippine Association of Chemical Suppliers, Inc. (PACSI)
7. Philippine Chamber of Commerce & Industry, Inc. (PCCI)
8. Philippine Food Processors and Exporters Organization, Inc. (PHILFOODEX)
9. Philippine Exporters Confederation, Inc. (PHILEXPORT)

The Company’s principal place of business is at No. 10 Rest Haven Street, San Francisco Del Monte, Quezon City, Philippines. Currently, the Company maintains a network of 15 distribution warehouses in five (5) sites in the Greater Manila Area and in the province of Bulacan. Furthermore, the warehouse operations follow appropriate warehousing practices in the pursuit of its vision and goals in the supply of products and services to stakeholders, particularly its customers. SBS also has a Halal-certified warehouse that stores various raw ingredients to supply the manufacturers in the food industry.

The Company adheres to applicable regulatory measures and standards implemented by various government institutions.

# The Core Chemical Distribution Business



## *Food Ingredients*

We pride ourselves on our extensive and ever-expanding range of products, which include sweeteners, stabilizers, emulsifiers, minerals, antioxidants, phosphates, vitamins, hydrocolloids, basic and functional ingredients, acidulants and preservatives.

## *Industrial*

For more than fifty (50) years, SBS has been supplying the needs of many different Philippine industries. We understand that competitive pricing and superior quality of raw materials ensure that the products of our clients are among the best performers in their respective markets. Whether our customers are big or small, established multinationals or local start-ups, we strive to provide them with our best service.



## *Animal Health and Nutrition*

SBS Philippines Corporation continues to add value to the Agribusiness, Feeds and Veterinary Care sectors by offering an extensive range of raw materials for formulators and manufacturers. We continually seek new sources of materials to improve the quality of our customers' products and lower their costs.

## *Pharmaceutical*

Our careful selection of quality products from all corners of the globe allows our stakeholders in the Pharmaceutical and Nutraceutical sectors the freedom to tailor their products and take advantage of innovative technologies and trends.





## *Personal Care and Cosmetics*

Our careful selection of quality products developed through new technologies from leading raw material manufacturers allow formulators in the Personal Care and Cosmetics sectors to tailor their products according to the needs of their clients.

## *Infrastructure and Construction*

SBS supplies a range of environment friendly chemical products and additives for:

- waterproofing of concrete structures
- effective dust control of unpaved roads
- enhancing the performance of asphalt road surfaces
- and for an economical and sustainable soil base for most types of road infrastructure.



## *Water Treatment*

SBS Philippines Corporation has a proud tradition of supplying quality water and wastewater treatment products to many industrial customers and service providers. We know that innovation, safety, efficiency, and dependability are paramount in the treatment of one of the world's most precious resources: water.

## *Agriculture and Sustainable Bio-Farming*

Through the strengthening of established relationships, SBS Philippines Corporation continues to add value to the Agriculture and Sustainable Farming Sector with supply of quality fertilizers, fertilizer trace elements, soil improvers, and specialty materials.



## SBS Board and Committees

The corporate powers of the Company are exercised, and its business conducted, by the Board of Directors (the Board). There are nine (9) directors on the Board headed by its Chairman who is a non-executive director. To assist the Board in its oversight function, six (6) committees were created namely, the Executive Committee, the Audit and Risk Oversight Committee, the Corporate Governance and Sustainability Committee, the Related Party Transaction Committee, the Nomination and Remuneration Committee, and the Finance and Investment Committee.

### **EXECUTIVE COMMITTEE (EXECOM)**

The Executive Committee (ExeCom) supports the Board in the discharge of its responsibilities during the periods between Board meetings by acting on ministerial items related to day-to-day operations that require board approval for compliance purposes by government agencies, customers, and suppliers. All acts of the Executive Committee for the period immediately prior to regular Board meetings are presented to the Board for ratification. The Executive Committee is composed entirely of Executive Directors.

### **AUDIT AND RISK OVERSIGHT COMMITTEE (AROC)**

The Audit and Risk Oversight Committee (AROC) assists the Board in fulfilling its oversight responsibilities for the financial reporting process, enterprise risk management and systems of internal control, the external audit process, and the Company's process for monitoring compliance with laws and regulations. The committee is also responsible for reviewing the independence and objectivity of the external auditor and recommending the appointment of the independent auditor for the ensuing year to the Board, subject to approval by the shareholders during the annual stockholders' meeting. The committee is composed of three (3) directors, all of whom are independent directors.

### **CORPORATE GOVERNANCE AND SUSTAINABILITY (CGS) COMMITTEE**

The role of the Committee is to assist the Board in the performance of its corporate governance responsibilities, including the fulfillment of its commitments in areas related to environmental, social responsibility, and sustainability. The committee is tasked to assess the effectiveness of the Company's governance, ethics and sustainability policies and its compliance thereto.

The committee is composed of three (3) Independent Directors and two (2) Executive Directors.

### **RELATED PARTY TRANSACTION (RPT) COMMITTEE**

The Related Party Transaction (RPT) Committee helps the Board fulfill its oversight responsibilities in the implementation and review of the RPT policy of the Company for internal control purposes as well as compliance with all relevant laws and regulations. The committee is composed of three (3) directors, all of whom are independent directors.

### **NOMINATION AND REMUNERATION (NOMREM) COMMITTEE**

The Nomination and Remuneration Committee supports and advises the Board in ensuring that it is comprised of individuals who are the best able to discharge the duties and responsibilities of Directors and that the Company has the appropriate nomination and remuneration standards and practices in place.

The committee is composed of two (2) Non-Executive and two (2) Executive Directors.

### **FINANCE AND INVESTMENT COMMITTEE (FIC)**

The Finance and Investment Committee (FIC) assists the Board in the performance of its oversight function to ensure that:

- (a) all projects and investment proposals and their funding requirements are consistent with the business strategy of the Company;
- (b) made within the approved policies and budgets for said projects;
- (c) and meet the required hurdle rates and other financial metrics prior to submission to the Board for approval and then subsequently monitor its performance on behalf of the Board after the investments have been made.

The committee is composed of five (5) directors, two (2) of whom are independent directors.

## Reporting Scope and Boundary

The 2023 Sustainability Report (the “Report”) is the third comprehensive report of SBS on the Company’s sustainability performance as of and for the year ended December 31, 2023, unless otherwise indicated.

The Report covers the operations and the employees of SBS Philippines Corporation excluding its subsidiary SBS Holdings and Enterprises Corporation and associated companies.

We have considered the following stakeholders in our assessment of key material topics: customers, suppliers, employees, shareholders, regulators, and the local communities where SBS operates.

All financial data and general information about the business found in this report have been disclosed in our 2023 Annual Report. Internal reviews and verification processes have been conducted to ensure the accuracy of the non-financial information presented in this report. We have not sought external assurance for this report.

## Economic Performance Boundary

The economic performance data presented in this report is taken from the financial statements as of and for the year ended December 31, 2023, covering SBS Philippines Corporation.

## Reporting Approach

The SBS Sustainability Core Team (the Core Team) developed a framework using the Materiality Principle to identify the key material topics considered to have a significant impact on the Company’s operations and its various stakeholders using both qualitative and quantitative metrics that were gathered from internal and external sources.

## Sustainability Reporting Guidelines and Standards

This Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option and the sustainability reporting guide provided by the Philippines SEC in Memorandum Circular No. 4, series of 2019.

## Materiality Assessment

The key topics addressed in our sustainability strategy are based on the materiality assessment.

In 2021, the Core Team conducted a series of workshops and internal review processes to generate a list of potential material topics and a list of stakeholder groups. Based on

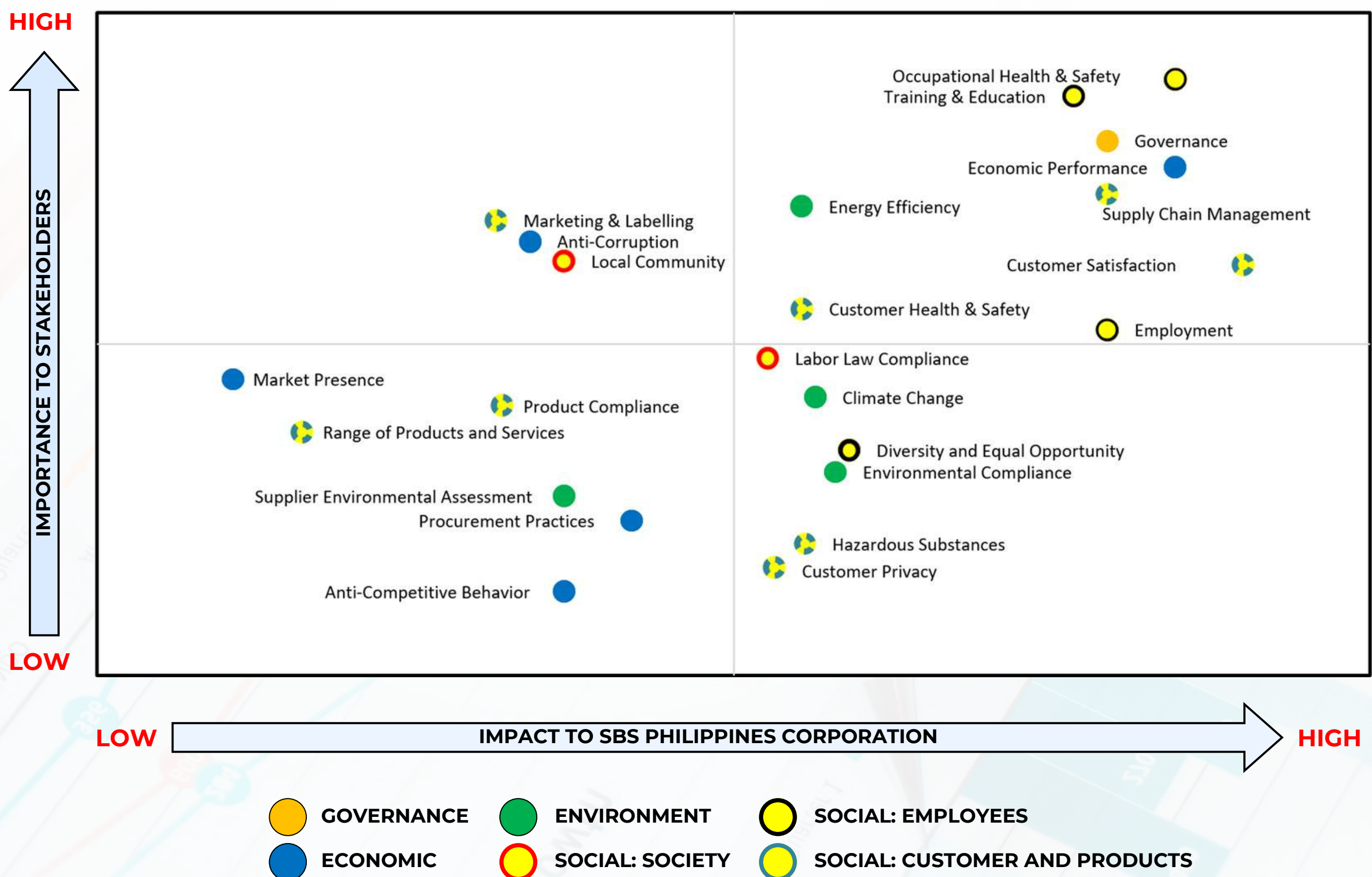
the feedback generated from these activities, the Core Team identified two (2) criteria that would determine whether a topic is material to the Company: (1) its importance to stakeholders and; (2) the significance of impact of SBS (in terms of economic, environment, social, and governance).

This has been reviewed and re-confirmed in 2023 to be of importance to the stakeholders.

From a list of 34 potential topics, the governance, economic, environmental, and social aspects have emerged as material and important to various stakeholders after being evaluated and prioritized by the Core Team and validated and approved by the Executive Committee.



## Materiality Matrix



## Our Material Aspects

CATEGORY	KEY MATERIAL TOPIC
Governance	Governance
Economic	Economic Performance / Anti-Corruption
Environment	Climate Change / Environmental Compliance / Energy Efficiency
Social-Employees	Employment / Training and Education / Diversity and Equal Opportunity / Occupational Health and Safety
Social-Society	Local Community / Labor Law Compliance
Social-Customers and Products	Customer Health and Safety / Customer Satisfaction / Marketing and Labelling / Customer Privacy / Supply Chain Management

## Stakeholders Engagement

Our sustainability approach places primary importance on the sustainability issues of concern of our stakeholders. Stakeholders are considered important contributors and/or influencers in the implementation of our strategies and attainment of our objectives. Their feedback helps us develop our initial materiality matrix and define our targets.

The Company continues to strengthen its engagement with the stakeholders through various activities and channels and with a variety of frequency depending on these activities, which include, but are not limited to the following:

STAKEHOLDERS	STAKEHOLDERS ENGAGEMENT	FREQUENCY
Customers	<p>SBS nurtures a strong, long-term relationship with its customers, and it is the Company's goal to extend reliable customer service at all times.</p> <p>SBS engages with its customers through:</p> <ul style="list-style-type: none"> <li>customer satisfaction surveys that generate customers' feedback on SBS products and services; and</li> <li>regular customer calls and visits, exchange of information and technical cooperation.</li> </ul>	<p>ANNUAL</p> <p>DAILY / AS NEEDED</p>



STAKEHOLDERS	STAKEHOLDERS ENGAGEMENT	FREQUENCY
Employees	<p>Ensuring the safety and well-being of employees is important to SBS, especially with the types of products it handles. Effective engagement with employees is a prerequisite for the Company in achieving its targets, and we do this through:</p> <ul style="list-style-type: none"> <li>• a Performance Management System that includes a review of employee training and development paths in the organization;</li> <li>• regular meetings of the Environment, Health and Safety Committee which focus on employees' health and work safety issues.</li> </ul>	<p>ANNUAL</p> <p>DAILY / AS NEEDED</p>
Shareholders	<p>SBS is committed to generate competitive returns for its investors and shareholders and seeks to establish regular lines of communication with them through:</p> <ul style="list-style-type: none"> <li>• Annual Shareholders' Meeting;</li> <li>• announcements, press releases and updates through the website <a href="http://www.sbsph.com">www.sbsph.com</a> and on the PSE website <a href="https://edge.pse.com.ph/">https://edge.pse.com.ph/</a>; and</li> <li>• the Investor Relations Office which can be contacted through email <a href="mailto:ir@sbsph.com">ir@sbsph.com</a>.</li> </ul>	<p>ANNUAL</p> <p>DAILY / AS NEEDED</p>
Suppliers	<p>SBS collaborates with its suppliers to seek new markets and opportunities, as well as improve penetration of existing markets. The Company continuously engages with them through:</p> <ul style="list-style-type: none"> <li>• Supplier Information forms that evaluate their reliability in providing quality products and services for SBS; and</li> <li>• collaboration and constant communication to ensure alignment of each party's expectations and actions.</li> </ul>	<p>ANNUAL</p> <p>DAILY / AS NEEDED</p>

STAKEHOLDERS	STAKEHOLDERS ENGAGEMENT	FREQUENCY
Regulators	<p>The Company conducts regular dialogues with and participates in seminars and workshops conducted by various regulating agencies to keep up-to-date with any changes in rules and regulations that affect the business.</p> <p>SBS endeavors to adhere to all the compliance requirements imposed by the different regulatory bodies in pursuit of excellence in its business operations.</p>	ANNUAL
Local Community	<p>SBS engages with the communities where it operates in through local government units and various social organizations. The Company aims to be a good corporate citizen by aiding the development of these communities in the areas of health and wellness, education and by providing assistance to those in public service.</p>	ANNUAL / AS NEEDED

## Sustainability Report Feedback

We welcome feedback from all stakeholders. Kindly send your comments, questions and/or suggestions relating to this report to [sustainability@sbsph.com](mailto:sustainability@sbsph.com).

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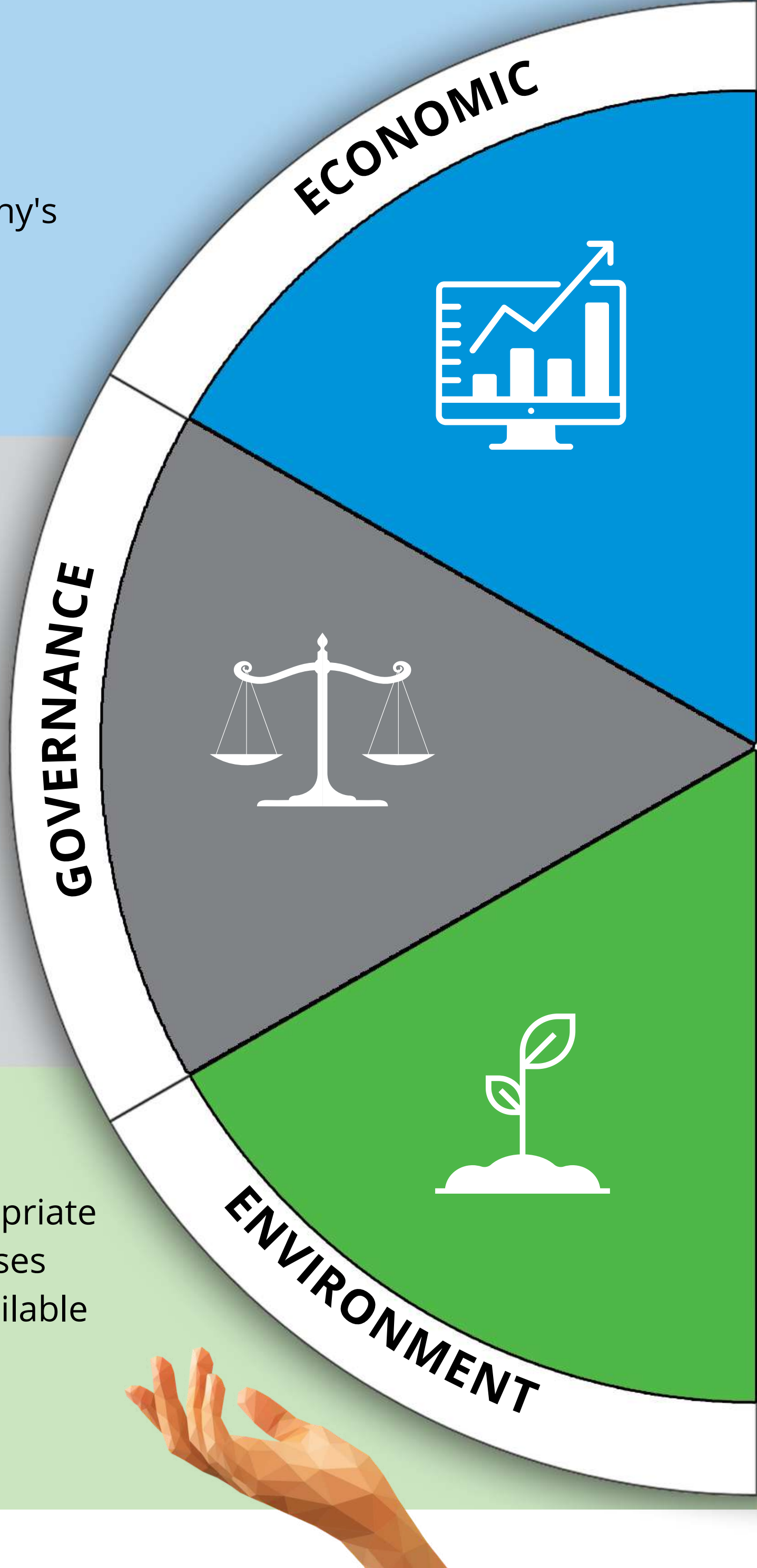
# Key Sustainable Development Goals

# SBS KEY SDG'S

Provide service excellence and continuously seek new business opportunities to improve the Company's financial viability and maximize shareholder value.

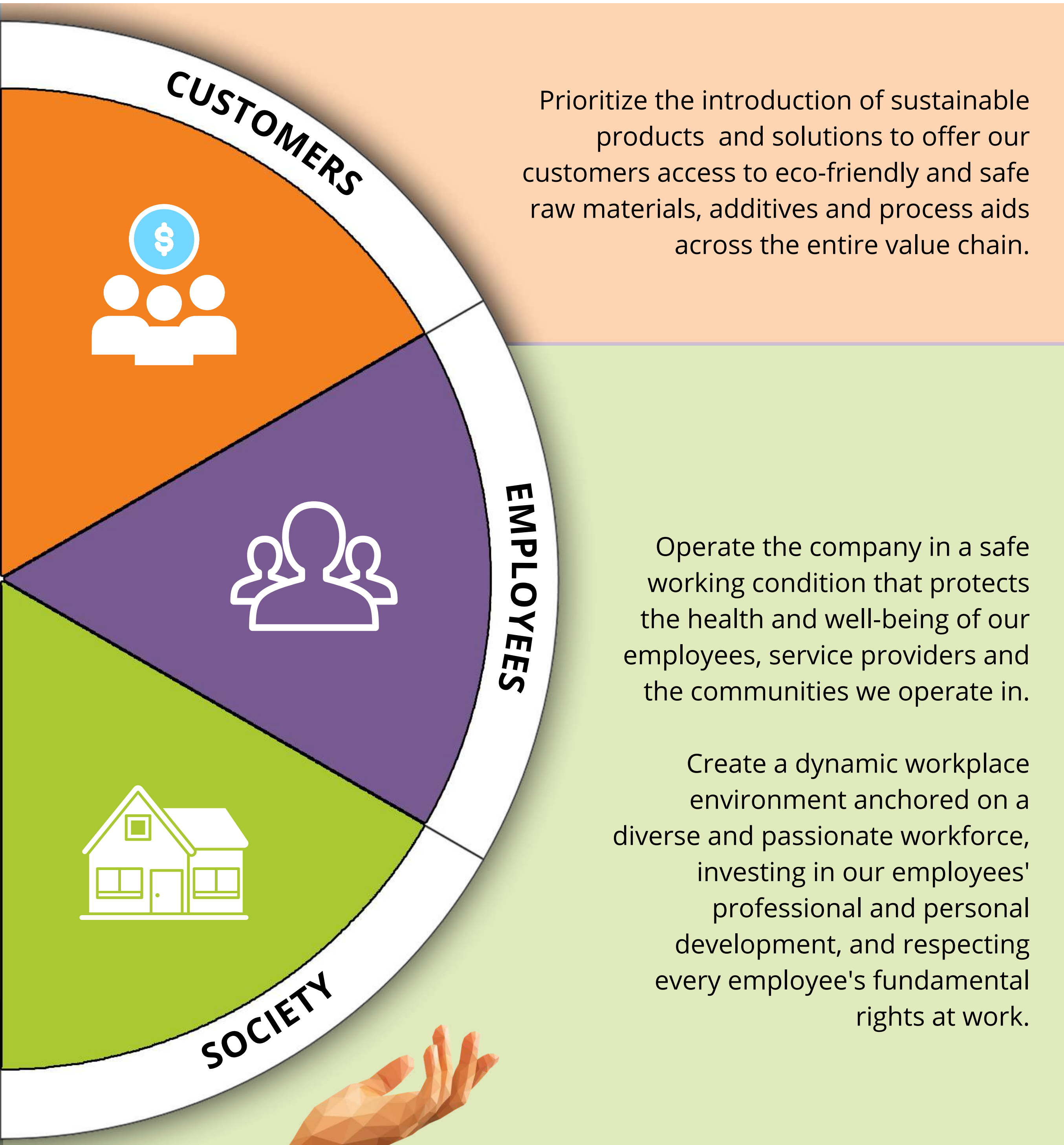
Promote a strong corporate governance culture and conduct its business following ethical business principles across the organization.

Intensify our action in support of the circular economy and invest in appropriate technology to reduce greenhouse gases emission and enhance the use of available environmental protection initiatives needed as a result of our operations.



<p>4 QUALITY EDUCATION</p>	<p>1 NO POVERTY</p>	<p>2 ZERO HUNGER</p>	<p>3 GOOD HEALTH AND WELL-BEING</p>
<p>5 GENDER EQUALITY</p>	<p>6 CLEAN WATER AND SANITATION</p>	<p>7 AFFORDABLE AND CLEAN ENERGY</p>	

**WE COLLABORATE  
WITH EVERYONE**








Collaborate with our business partners, customers, local communities, regulators, civil society, shareholders and other stakeholders to advance all efforts including our Corporate Social Responsibility activities in support of United Nation's Sustainable Development Goals.



## SBS' Contribution to The UN SDGs

The United Nations has vowed that its members would implement 17 Sustainable Development Goals (SDGs) between 2015 and 2030 to decrease poverty, promote prosperity, and safeguard the planet and its inhabitants. The SDGs encompass environmental, social, and economic objectives.

We have combined the SBS Sustainability Pillars with the UN SDGs to achieve our goals. We compared our initiatives to the best practices of comparable industries in order to improve people's lives, safeguard the environment, and create an environmentally friendly tomorrow.

SDG Goals	Target 2030	Strategies	Progress
 <p><b>1</b> NO POVERTY</p>	Triple direct economic value generated and grow direct employment by 50% from 2021 baseline number.	Create more employment opportunities by growing the Company's business activities in a sustainable way.	Exploring several investment opportunities to grow the business activities of SBS Philippines Corporation.
 <p><b>2</b> ZERO HUNGER</p>	50% of agriculture segment revenue will be derived from newly introduced and sustainable agricultural inputs products from 2021 onwards.	Introduce products for Bio farming and Farm Revival to improve the yield of the farmland at competitive cost.	Created the agriculture business segment which will be one of the growth drivers for the Company.
 <p><b>3</b> GOOD HEALTH AND WELL-BEING</p>	(1) Full implementation of health related policies and any violation to be accorded with corresponding penalty as defined in the policy  (2) Adoption of any new government regulations relating to the health of employees.	Incorporate health-related policies (e.g. Company Policy on Alcohol and Drug abuse, etc.) in the employee handbook.	Updating the employee handbook for roll-out in 2024 that incorporates various health related policies.
	Provide additional medical benefits to all regular employees by 2030, apart from the mandated government health benefits that they can already use.	Enrolled HMO plans for regular employees meeting the employment service requirement in accordance to prevailing company policy.	85% of male and 81% of female regular employees are covered with HMO (as of December 31, 2023).
 <p><b>5</b> GENDER EQUALITY</p>	Maintain gender ratio within the 55:45 range based on its 2030 business activities.  Provide a treatment room and lactation area accessible to the employees.	Company policy on non-discrimination; equal opportunity employer.  Company policy on anti-bullying, anti-harassment, etc.  Company's Diversity Policy.	Generally balanced number of male and female employees (51:49 ratio in 2023 employee population).
 <p><b>6</b> CLEAN WATER AND SANITATION</p>	Triple the revenue of the "water and wastewater business" segment from 2021 baseline.	Attuned our investments to our customers' growth and sustainability objectives.	Created the environment and infrastructure business segment, which includes the raw materials for water and wastewater treatment in order to increase our focus in this field.

SDG Goals	Target 2030	Strategies	Progress
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	Obtain at least 50% of electricity consumption from renewable energy sources by 2025 and seek opportunities for growth in this field.	Utilize solar panels as our source of electricity in the office and all our warehouses. Involve our employees in saving energy.	<p>Started to export excess electricity from solar panels through a net metering system.</p> <p>44% of 2023 company's electricity consumption was obtained from renewable energy source.</p>
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	Attain and exceed "One Million Safe Man-Hours" goal.	<p>(1) Collate and plan-out necessary trainings and seminars related to safety and readiness in partnership with suitable individual and/or institution.</p> <p>(2) Conduct regular facilities inspection.</p>	264,784 Safe Man-hours attained as of December 31, 2023.
<b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Capex spending from 2021 to 2030 (to be updated in 2024 with the completion of the next 5 year strategic plan)	Invest in new and efficient facilities and infrastructures to support company growth objectives and provide additional employment opportunities to the local community.	2021-23 CAPEX spending at PhP 96.8 million.
<b>10</b> REDUCED INEQUALITIES 	Increase the average number of training hours for all employees by 2030 to 24 hours annually.	Conduct Employee Assessment annually to identify, monitor, and develop employees' skill sets and tailor the trainings based on the needed expertise for each employee.	The average number of training hours for all employees at 19 hours for the year 2023.
		Measure the parity indices (female / male, by employee category).	See page 33 of this report.
<b>13</b> CLIMATE ACTION 	50% reduction of companywide total GHG emission from 2019 baseline for electricity consumption and 2021 baseline for transport fuels (Baseline: 360.16 t-CO2) (Target reduction: 180.08 t-CO2)	<p>Solar Panel installation.</p> <p>Develop an efficient transport strategy to further reduce fuel consumption.</p>	Achieved reduction equivalent to 164.96 t-CO2 in 2023 compared to baseline figures.

At SBS Philippines Corporation, we recognize the importance of the UN SDGs and are committed to contributing towards their achievement. Aside from the UN SDGs on the above table where targets, plans, and progress are already in place, we are in the process of defining our future contributions and impact on the following UNSDGs:



We believe that by doing so, we can help create a more sustainable business and community.

## Governance

### Corporate Governance

#### Objective

SBS believes that the trust of its shareholders and other stakeholders is fundamental to the business and is the source of SBS’s success.

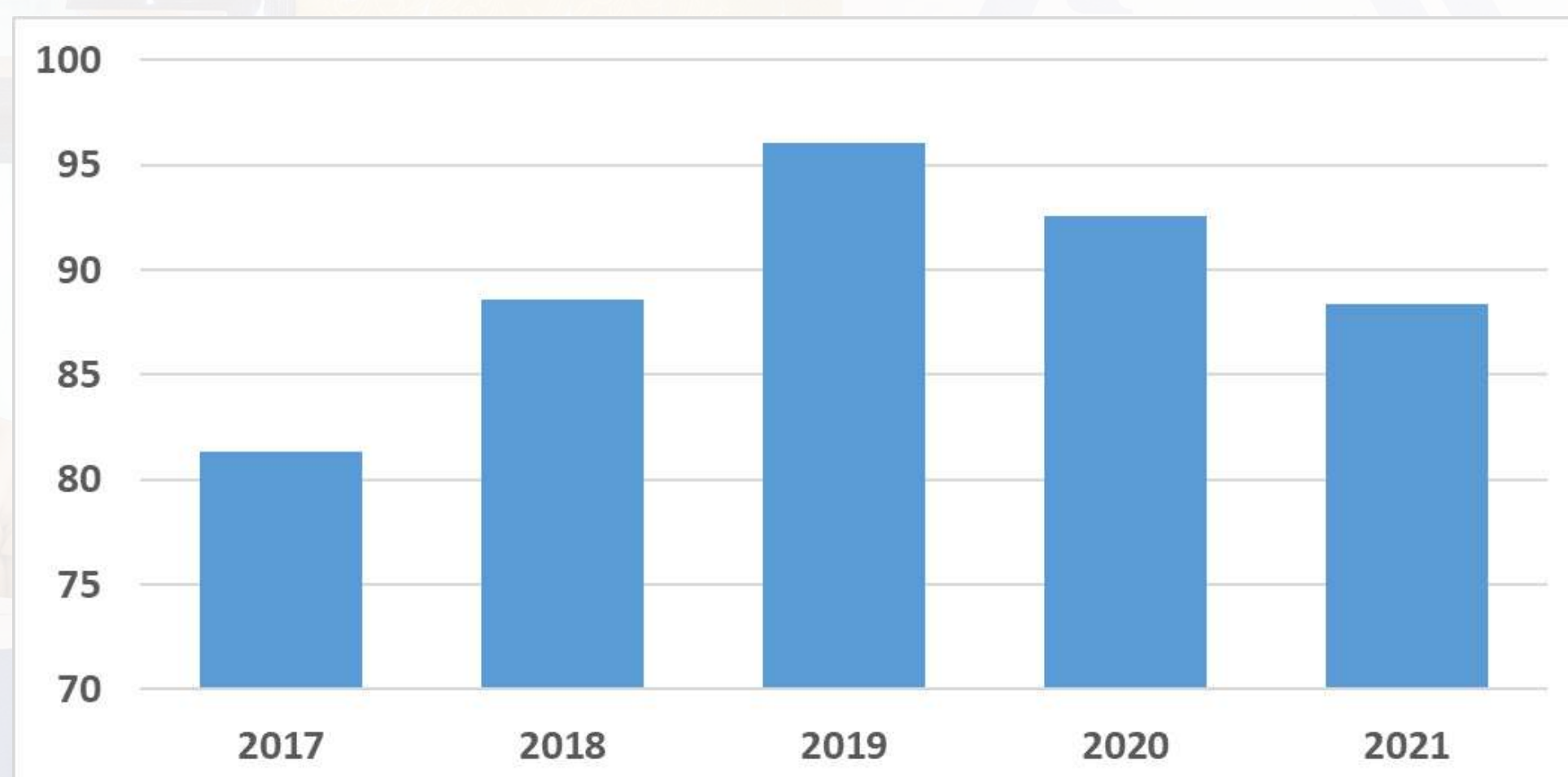
#### Management Approach

We have adopted the Code of Corporate Governance for Publicly Listed Companies issued by the Securities and Exchange Commission. Our Manual on Corporate Governance is reviewed annually by the Corporate Governance and Sustainability Committee, and any revisions are endorsed to the Board of Directors for approval. Details about our overall corporate governance practices can be found in the Corporate Governance Report section.

#### Performance Highlights

In 2023, the Institute of Corporate Directors (ICD), in partnership with the Securities and Exchange Commission (SEC), announced the conclusion of the 2021 assessment of the Philippine Publicly Listed Companies (PLCs) under the ASEAN Corporate Governance Scorecard (ACGS) where SBS attained a score of 88.36. The ACGS is a globally benchmarked scoring system designed to improve the corporate governance performance of PLCs in participating ASEAN countries. It consists of 146 questions based on the G20/OECD Principles of Corporate Governance. Bonus and penalty sections are included to recognize conformance with accepted best governance practices and to encourage addressing the problematic areas among PLCs.

SBS Philippines Corporation  
5-Year ASEAN CG Scorecard Results



#### Targets & Plans

SBS will continue to uphold the principles of good corporate governance which are essential for business sustainability.



# Economic

## Economic Performance

### Objective

To create long-term sustainable value for our shareholders and society.

### Management Approach

SBS remains steadfast in its goal of becoming a leading comprehensive hub for products, solutions, and services within the Philippine chemicals market. Building on the success of our five-year business strategy formulated in 2021, our commitment to creating long-term sustainable value for both shareholders and the broader society continues to drive our economic initiatives in 2023. Management has remained focused on the following key pillars:

1. **Reliable and Delightful Customer Experience:** Our dedication to delivering exceptional customer experiences remains unwavering, enhancing customer satisfaction and loyalty.
2. **Digitalization and Data Analytics:** The integration of digitalization and data analytics into our supply chain operations continues to streamline processes, ensuring efficiency and responsiveness in our operations.
3. **Organizational Productivity:** Our commitment to increasing organizational productivity and resource utilization remains a driving force, fostering a culture of innovation and efficiency across all business functions.

### Performance Highlights

#### Direct Economic Value Generated and Distributed

	2023 (In PHP)	%	2022 (In PHP)	%	2023 vs 2022 (In PHP)
<b>Direct economic value generated</b>	1,066,253,959		1,199,671,611	100%	( 133,417,652 )
<b>Direct economic value distributed</b>					
• Operating cost and payments to suppliers	782,708,140		829,744,071	69%	( 47,035,931 )
• Employee wages and benefits	43,503,766		40,010,650	3%	3,493,116
• Dividends given to stockholders and interest payments to loan providers	149,008,142		135,694,708	11%	13,313,434

	2023 (In PHP)	%	2022 (In PHP)	%	2023 vs 2022 (In PHP)
• Government Taxes	30,424,444		74,099,153	6%	( 43,674,709 )
• Community Investments	588,000		341,509	0.05%	38,000
<b>Direct economic value retained</b>	60,021,467		119,573,029	10%	( 59,551,562 )

SBS has not availed any financial assistance, tax relief and tax credits, subsidies, grants, awards, royalty holidays and other forms of financial benefits from the government during 2022 and 2023.

### Targets and Plans

SSBS places an increased financial value on sustainable practices, particularly in conserving energy and reducing dependence on fossil fuels. In line with this commitment, we are introducing more renewable infrastructure in our capital expenditure plan for the coming years. This strategic move not only aligns with global sustainability goals but also positions us as a responsible corporate citizen contributing to environmental conservation.

As we navigate the dynamic business landscape, SBS remains dedicated to creating shared value for all stakeholders, fostering innovation, and actively contributing to the economic and environmental landscape of the Philippines.

## **Anti-Corruption**

### Objective

Honesty and integrity are part of the core values of SBS. The Company stands by its strong commitment to fair and equitable business practices and strong long-term relationships with its suppliers, customers, and other business partners.

### Management Approach

SBS has a Code of Business Conduct and Ethics that includes the policy against corruption. It is included in the employee orientation program and specific trainings are conducted to comply with anti-corruption laws and regulations.

SBS has a zero-tolerance policy on employee misconduct related to corruption and strictly enforces disciplinary measures in this regard. SBS also has a Conflict of Interest and Whistle-blowing Policy that complements its Code of Business Conduct and Ethics.

### Performance Highlights

Two (2) batches of general onboarding activities took place on the following dates; August 5, 2023

and December 1, 2023. The Human Resources Department (HRD) held the New Employee Orientation Program to all staff who joined in 2023, with an aim to not only provide information but to underscore positive employee experience among the newbies in the company.

These events were attended by nine (9) new employees in the 1st batch and nine (9) new employees in the second batch, respectively, and convened speakers who talked about the overall direction of the company for the next four years, the Code of Business Conduct and Ethics, the Anti-Corruption Policy, the Whistleblowing Policy, the Data Privacy Policy, the Risk Management Policy, the Human Resource and Environment and Health & Safety Policies, and the Introduction to Enterprise Resource Planning. The New Employee Orientation was institutionalized by the HR, scheduled to happen twice a year.

### *Training in Anti-Corruption Policies and Procedures*

Disclosure	Quantity	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	77	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	100	%

### *Incidents of Corruption*

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

### Targets & Plans

To firmly incorporate anti-corruption training awareness into the company's onboarding program. To continuously measure the percentage of business partners that have acknowledged receipt of the communication regarding the company's anti-corruption policies and procedures.

# Environmental

## Climate Change

### Objective

The Company recognizes the need to manage the risks related to climate change and ensure that proper action plans are in place to mitigate or avoid potential hazards that they may pose to the organization's operations and financial position. In addition, The Company recognizes climate change risks as a new risk factor that has a potential financial impact to the organization's objectives. Identification of these risks includes physical risks (i.e. acute and chronic) and transition risks (i.e. policy and legal, technology, market, reputation).

### Management Approach

Risk assessment activities performed by the Company to manage key risks and opportunities include, but are not limited to, the following:

- An Enterprise Risk Management or ERM policy was formalized by management and approved by the Board in May 2021. The ERM policy guides the entire organization in managing its risks including those related to climate change. In 2023, the Risk Management team continually monitors the risk profile of the Company and the effectiveness of mitigating strategies to address the material risks faced by the organization. In addition, key risk indicators are being developed for measurement of risks which may be related to climate change.
- The creation and regular updating of a Risk Register that lists all the key risks faced by the organization. The Risk Management team and the Internal Audit team of the organization are monitoring the related action plans. Risks are being continually assessed using the Impact and Likelihood criteria which are also based on the ERM policy.
- The Company assesses and manages climate related risks through its existing risk management framework. However, the Company understands that new developments in this risk area need to be identified as it enhances and incorporates specific climate-related risks into the existing framework.
- The climate related risks will be managed through:
  1. Determination and understanding of various causes and consequences of risks
  2. Assignment of risk ownership for monitoring and management of risks
  3. Assessment and measurement of magnitude, velocity and time horizons
  4. Identification of levels of exposures and mitigation plans
  5. Management reporting
- Available online platforms, such as the Hazard Assessment from GeoRisk PH, were utilized by the Risk Management team to identify potential hazards to SBS warehouses. No significant or immediate hazards were identified in the team's latest report.

### *Hazards Assessment*

Location	Seismic	Volcanic	Hydro-Meteorological
Rest Haven Quezon City	Prone to Ground Shaking up to Intensity 8	Prone to Ash fall; Nearest Active Volcano is Taal	Low Susceptibility to Flood

Location	Seismic	Volcanic	Hydro-Meteorological
Judge Luna Quezon City	Prone to Ground Shaking up to Intensity 8	Prone to Ash fall; Nearest Active Volcano is Taal	Low Susceptibility to Flood
Malabon	Prone to Ground Shaking up to Intensity 8; High Potential for Liquefaction; Prone to Tsunami (2 to 2.99 meters)	Prone to Ash fall; Nearest Active Volcano is Taal	High Susceptibility to Flood (1 to 2 meters of height; more than 3 days)
Marilao	Prone to Ground Shaking up to Intensity 8; Moderately Susceptible for Liquefaction	Prone to Ash fall; Nearest Active Volcano is Pinatubo	Low Susceptibility to Flood

## Environmental Compliance And Hazardous Substances

### Objective

Through the Company's environmental commitment, which covers its entire value chain, SBS implements measures such as evaluating suppliers and products, establishing partnerships and policies for responsible sourcing and environmental awareness and education campaigns, and supporting consumers in the best end use of products.

### Management Approach

The Company has an integrated environmental policy that outlines its commitment to implement the necessary measures to protect the environment in its operations, including pollution prevention. This preserves natural resources and the health of the surrounding population. Therefore, we undertake to:

- Guarantee compliance with current environmental legislation and regulations.
- Optimize the use of natural and renewable energy resources.
- Reduce environmental impacts such as emissions, discharges, and waste.
- Integrate environmental criteria in the development of new projects.

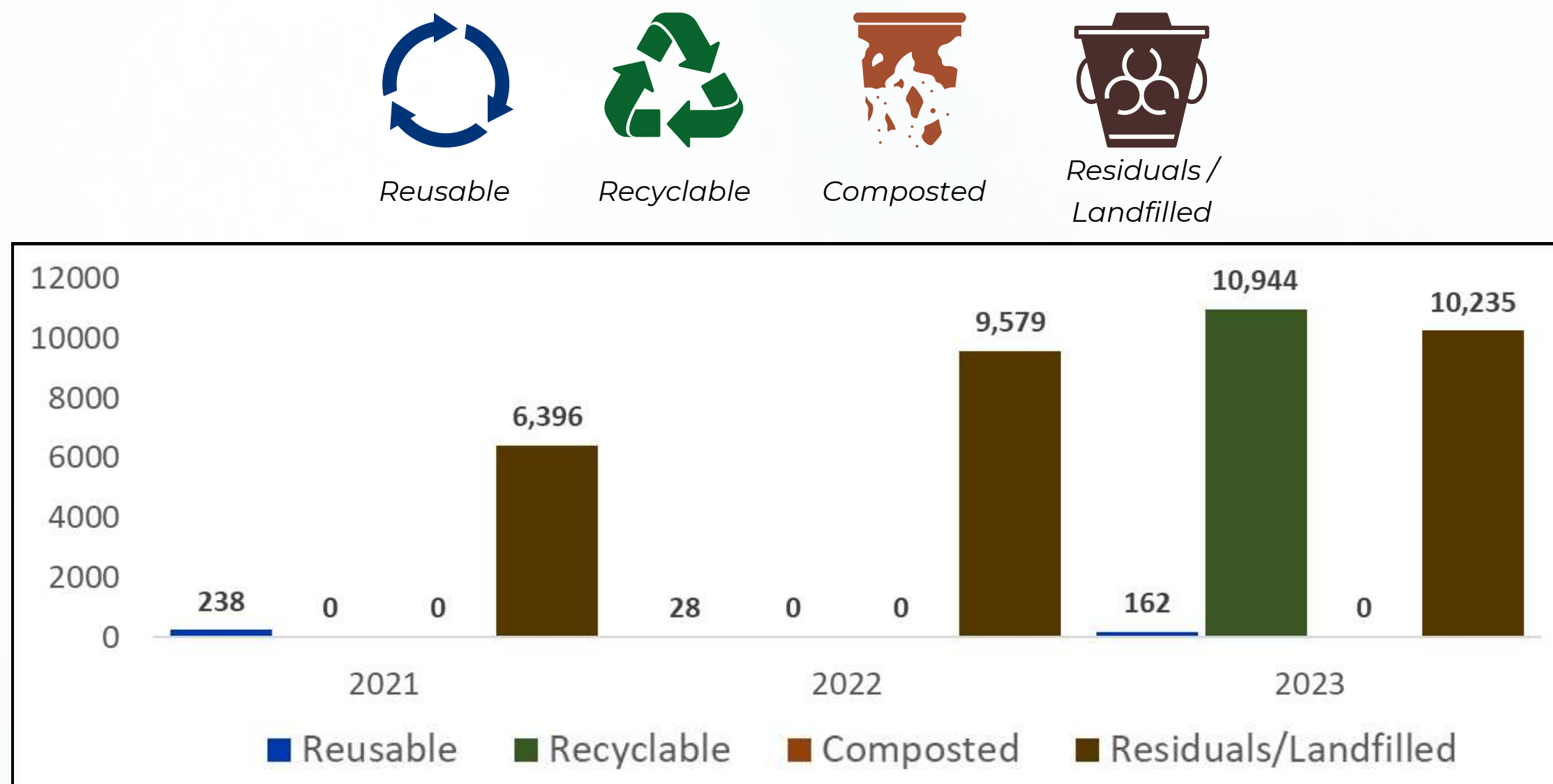
### Performance Highlights

SBS Philippines Corporation is fully committed to reducing and eliminating adverse impacts of waste materials on human health and the environment to support economic development and superior quality of life. In 2023, the company accumulated 162 kg of reusable solid waste, while 10,944 kg of recyclable materials were sent to recyclers. The absolute on-site work setup for employees and the continuous operation in five (5) warehouses of the company all contributed to a 6.41% increase in residual solid waste, from 9,579 kg in 2022 to 10,235 kg in 2023.

SBS is delighted to report that all its employees are well-informed of proper waste segregation and practice such at all times.

Throughout 2023, the company has not generated or transported any hazardous waste or incinerated waste within its company premises, fulfilling its commitment to help build a healthier and safer environment. SBS has maintained environmental compliance and committed no environmental violations.

*Total Solid Waste Generated, in kg*



Strategy and Plans

To ensure that there are no violations of environmental laws and regulations in the next years and to continue conserving energy and promoting renewable energy to aid the environment, the Company adds these as its objectives and long-term commitment.

**Energy Efficiency**

Energy is a vital component of the daily operation of the company’s office, warehouse sites and supply chain. The organization’s practice on energy utilization and consumption has a direct impact on the environment.

Objective

SBS aims to reduce its energy consumption, save on energy cost and minimize greenhouse gas (GHG) emissions. The Company is committed to reduce its office and warehouses’ electricity consumption from carbon sources by 50% in 2025 compared to its 2019 baseline consumption.

Management Approach

The Company has developed an energy management plan that focuses on initiatives to improve the Company’s utilization of energy. Its operations consume energy mainly from electricity and fuel.

In the prior years, the Company had shifted to energy-efficient technologies, and in August 2023: (1) the

company started exporting excess energy from solar power through a net metering system that impacted the total consumption of electricity in warehouses and offices and; (2) continuous employees' involvement in turning off the lights every break time. During this reporting period, the Company continued its shift to LED lighting and inverter-type air-conditioners whenever replacements or new installation were required. Also, the management plans to do additional installations of solar-tied grid systems.

The Company had also reviewed and strategized its delivery route and vehicle trips to save on fuel consumption. This transition to a low-carbon future will contribute to lowering the GHG emissions and carbon footprints.

Based on the annual energy consumption threshold set by the Department of Energy, SBS is classified as an Other Designated Establishment (100,000 kWh but less than 500,000 kWh). The Company had submitted the following compliance reports under the Efficiency and Conservation Act of 2019: (1) Annual Energy Efficiency and Conservation Report; (2) Annual Energy Utilization Report.

### Performance Highlights

#### Energy consumption within the organization

Disclosure	2019	2021	2022	2023
Energy consumption (electricity), kWh				
• Gross consumption, kWh	185,694	131,952	100,758	103,906
• Export electricity, kWh				10,374
• Net consumption, kWh				93,532
Energy consumption (diesel), GJ	No data	1,117	828	645
Energy consumption (gasoline), GJ	No data	35	3	5

The 2019 electricity consumption is regarded as the baseline data since it represents the Company's normal operation. Meanwhile, as there was no compiled data for the diesel and gasoline consumption for the said year, the Company uses the 2021 gasoline and diesel consumption data as its baseline considering its normal operation after the pandemic year of 2020.

#### Reduction on energy consumption for 2023

Disclosure	vs. 2019 (Baseline) Electricity	vs. 2021 (Baseline) Diesel, Gasoline	vs. 2022
Energy reduction (electricity), kWh	92,162	38,420	7,226
Energy reduction (diesel), GJ	n/a	472	183
Energy reduction (gasoline), GJ	n/a	30	-2

Comparing the overall annual electricity consumption from carbon-sourced energy, the 2023 consumption is 50% lower versus its 2019 baseline and 7% less than the prior year as the company started to export energy through net metering system.

Meanwhile, diesel and gasoline consumption had decreased by 42% and 86% respectively compared to its 2021 baseline data. The drastic decline in diesel was the effective strategy of service vehicle trips and systematized delivery route, while the decline in gasoline consumption is attributed to the disposal of most of the gasoline-powered service vehicles by the last quarter of year 2021.

### Environmental Impact

Disclosure	vs. 2019 (Baseline) Electricity	vs. 2021 (Baseline) Diesel, Gasoline	vs. 2022
Reduction on GHG Emissions (electricity), t-CO2	65.64	27.36	5.15
Reduction on GHG Emissions (diesel), t-CO2	n/a	93.38	36.2
Reduction on GHG Emissions (gasoline), t-CO2	n/a	5.94	-0.4
Estimated no. of trees planted per year (based on reduction of carbon-sourced energy consumed compared to baseline year)	3,011	5,811	1,878

- \* Based on DOE's 2015-2017 National Emission Grid Factor of .0007122 t-CO2/kWh
- \* Based on DOE's Conversion Factor 1 Gigajoule = 277.78 kWh
- \* Per Arbor Day Foundation, 1 mature tree can absorb 0.0218 tonnes of CO2/year

#### Target and Plans

To achieve SBS' 2025 target of reducing its electricity consumption from carbon-sourced energy by at least 50%, the Company will further invest in 2023-24 to install additional solar panels on its rooftops to increase the utilization rate of renewable energy. On vehicle fuel efficiency, the company will replace the old deliver vehicles with two new ones that have a more efficient engine for maximized fuel efficiency to support the company's growth activities.

## Social: Employees

### Employment

#### Introduction

SBS Philippines Corporation recognizes the importance of employees' expertise and commitment in building the Company's success and competitiveness in the long-term. SBS employees strive to live with the core values of customer-centric mindset, honesty and integrity, excellence, perseverance, mutual respect and teamwork, and faith in God Almighty with a sustainability perspective embedded in everything they do.

#### Management Approach

At SBS, we have policies on hiring, promotion, transfer, resignation, separation, employee benefits, training and development, among others, that are regularly reviewed by management.



These policies have been created in accordance with industry practices and prevailing labor laws. Our commitment is to make all these efforts viable and evident is anchored on the following focused areas:

*Promote employee retention*

- The company implements annual performance evaluation to examine how our employees' performance contributes to a more efficient and productive workforce for our operation and meet stakeholders' expectations. This activity encourages team members to communicate openly to adequately address the established expectations of the company's purpose, vision, goals, and core values.
- On July 22, 2023, the company-wide outing and teambuilding activity took place in Quest Adventure Camp in Teresa, Rizal. Indeed, it was a very good employee engagement activity and an equally good retention strategy. It allowed SBS employees to showcase their leadership, creativity, problem-solving abilities, and active participation. This event emphasized the importance of individual skills and working together as a team. Completing this team-building activity improved the working relationships among colleagues, creating a more collaborative and harmonious work environment. This event highlights SBS Philippines Corporation's commitment to fostering a positive and productive workplace culture.

Performance Highlights

For 2023, our year-end workforce count is at one hundred and four (104) full-time employees, of which 28% are new hires (14% male and 13% female). Employee turnover is recorded at 25% of which 14% are male and 11% are female. The new hires in 2023 include more males, at one (1) percentage point higher than females.

*2023 Total number of new hires per category by gender, by age group*

	Male	Female	Total
Under 30	3	8	<b>11</b>
30 - 50	12	6	<b>18</b>
Over 50	0	0	<b>0</b>
Total	15	14	<b>29</b>
%rate	14%	13%	28%

*2023 Total number of new turnover per category by gender, by age group*

	Male	Female	Total
Under 30	4	2	<b>6</b>
30 - 50	10	9	<b>19</b>
Over 50	0	0	<b>0</b>
Total	14	11	<b>25</b>
%rate	14%	11%	25%

\*per total no. of employees at the end of the reporting period which is 104.

\*\*per total no. of employees at the beginning of the reporting period which is 100.

On top of all the government-mandated benefits provided to employees by the Company, there are also supplementary incentives like paid leaves, healthcare insurance, personal accident insurance, and retirement provision under the law and Company policy.

The retirement plan of SBS provides for post-employment benefits to employees as mandated by law through an unfunded, non-contributory defined benefit plan that covers all regular full-time employees.

The cost of employee benefits under the defined benefit plan is determined using the projected unit credit method.

As of December 31, 2023, actuarial valuations estimated net retirement liability at Php 10.8 million and reflected in the company's statement of financial position under non-current liabilities. The Company has sufficient available resources to cover expected benefit payments from the plan as they retire.

*Percentage of employees who availed their benefits for the year, by gender*

Benefits	Y/N	Male	Female
SSS	Y	100%	100%
PHLHEALTH	Y	100%	100%
PAG-IBIG	Y	100%	100%
Parental Leaves - Entitled	Y	3%	5%
Parental Leaves - Availed	Y	3%	5%
Vacation Leaves	Y	58%	68%
Sick Leaves	Y	11%	18%
Medical Benefits - HMO	Y	85%	81%
Housing Assistance	Y	38%	27%
Flexible Working Hours	Y	0%	0%
Telecommuting (WFH)	Y	9%	14%
Bereavement Leave	Y	0%	4%
Retirement Provision	Y	100%	100%
Retirement Availed	Y	0%	0%
Personal Accident Insurance Coverage	Y	98%	94%

Number of employees availing of parental leave, by gender	Gender	
	Male	Female
Entitled to parental leave	2	3
Availed of parental leave	2	3

Number of employees returning to work after parental leave, by gender	Gender	
	Male	Female
Employees due to return after parental leave	2	3
Employees that return after parental leave	2	3
Return to work rate (%)	100%	100%

*Provide training and development programs*

- As an organization that has developed a culture of learning, the management supports the development plan of all employees such that every employee in SBS receives ample training throughout the year. Learning does not stop in the company, thus, even if a portion of the employee population is already in their senior years, professional growth and development enhances employee engagement.

### Performance Highlights

For the year 2023, SBS has registered 2010 man-hours in training and development of our employees, which translate to a more proactive drive to strengthen the skills of our employees. These are combinations of webinars, in-house workshops, orientations and seminars.

#### *Percentage of employees who availed their benefits for the year, by gender*

Hours of training, by gender	# of hours	Ave. hours of training
Female	903	18
Male	1107	21
Total	2010	19

Hours of training by employee category	# of hours	Ave. hours of training
Executives	70	14
Managers and Supervisors	304	16
Rank and File	1636	20
Total	2010	19

Average hours of training, by gender, by employee category	Male	Female
Executives	12	17
Managers and Supervisors	17	14
Rank and File	23	18
Total	21	18

An average of eighteen (18) training hours and twenty-one (21) training hours were registered for female and male employees respectively. The capacity building effort of the Company was focused on enhancing people skills to produce expected efficiency and effectiveness at work.

For year 2023 the Company added a new metric of identifying the average hours of training by gender, by employee category in order to measure the parity indices in accordance with goal #4 of the UN SDG.

### Targets and Plan

SBS recognizes that succession planning is a way to strengthen the company's viability. It encourages internal promotion as deemed necessary, particularly for the deserving employees who have both the required skills, the qualifications, and the right attitude.

Aside from succession planning, the Company will be keen on improving further its employee engagement, as this manifests the emotional commitment the employee has to the organization and its goals. Such emotional commitment means engaged employees care about their work and their company. With these strategies, the Company targets to reduce its attrition rate for the coming years at below 15%.

## Diversity and Equal Opportunity

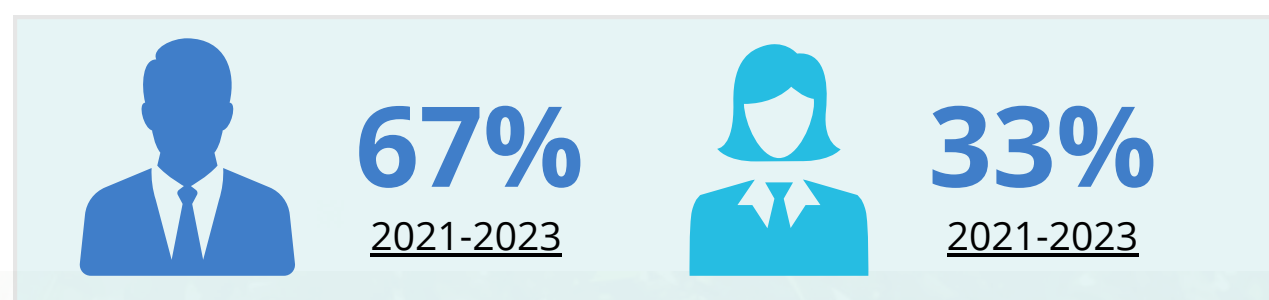
### Diversity and Inclusion

The Company recognizes the benefits of having employees that possess a diversity of functional expertise, professional background and experience, qualifications and skills regardless of age and gender, in order to attain a cohesive and complementary team to effectively implement the Company's strategies and policies in pursuit of achieving its goals and targets. We also ensure that there is no discrimination in the basic salaries of the employees due to gender, and that hiring, and promotion are based on job performance and merit.

In this reporting period, the SBS workforce of one hundred four (104) employees is composed of fifty-three (53) males and fifty-one (51) females. The data suggests there is little disparity in terms of sexual orientation in its workforce composition. Likewise, SBS does not discriminate older people from becoming part of the team, where focus is on qualifications and abilities of the person. It is evident in the openness of the Company in the recruitment and selection process that everyone is given an opportunity to influence and contribute and bring their unique selves at work. SBS acknowledges that empowering its employees and recognizing their talent is part of creating an inclusive company.

### Employee Profile 2023

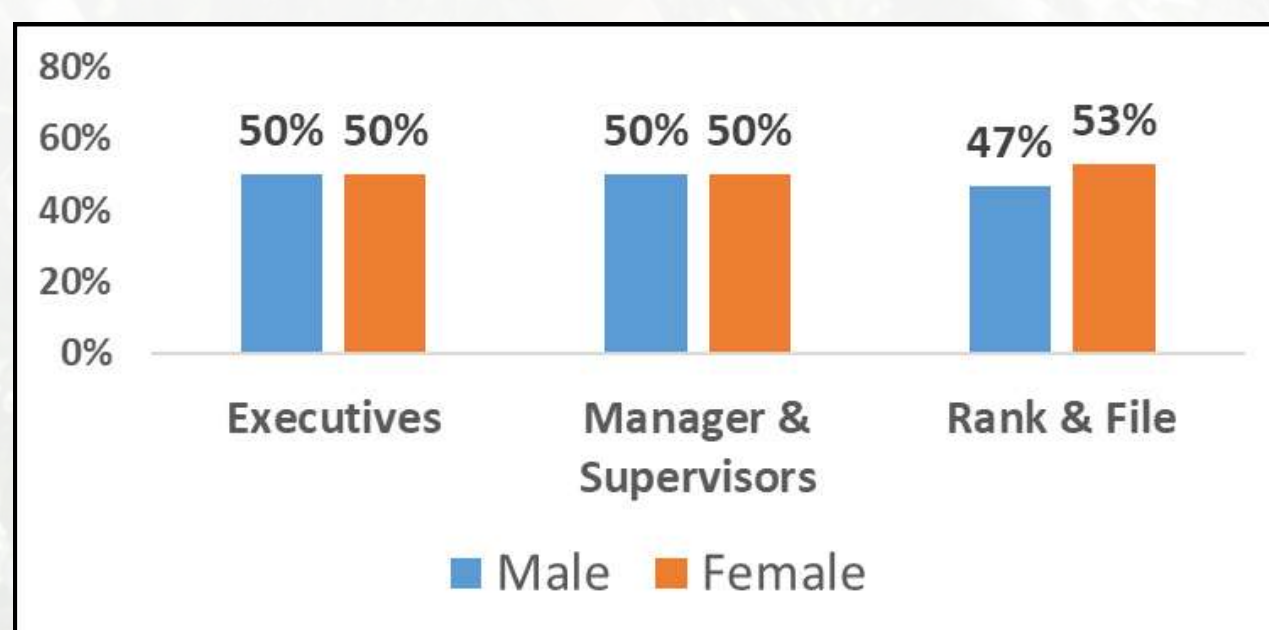
Composition of SBS Board of Directors per category, by gender



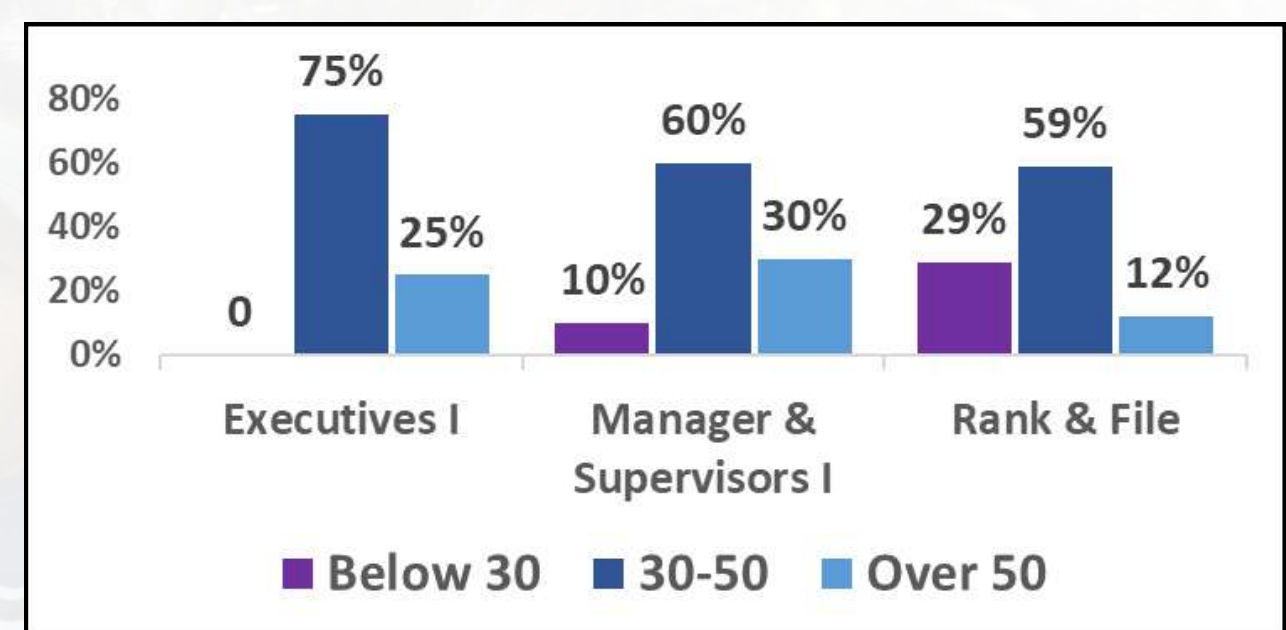
Composition of SBS Board of Directors per category, by age group (30-50 / over 50)



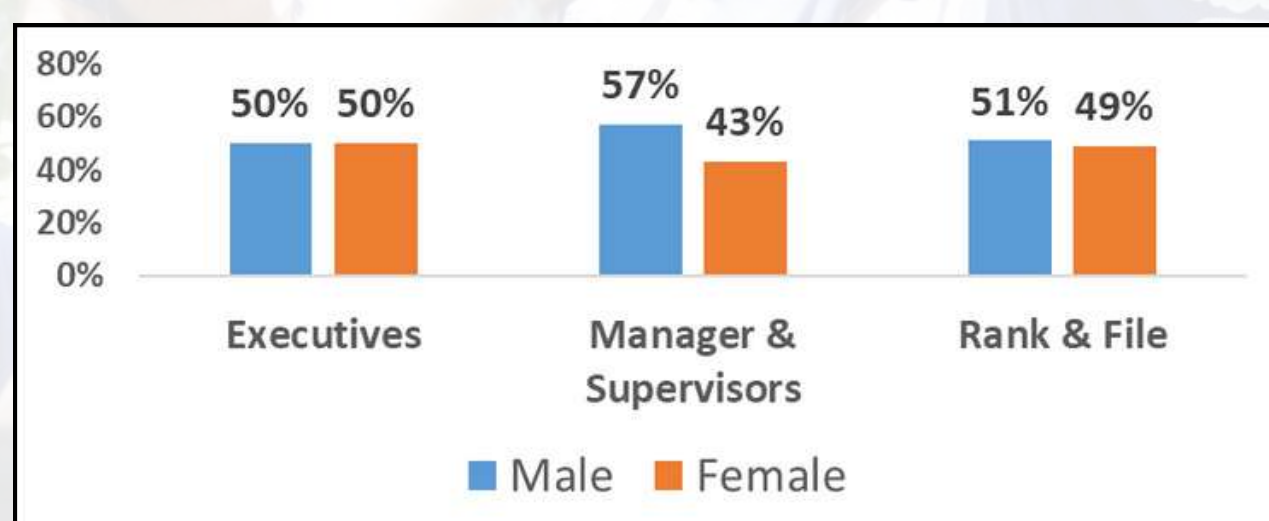
Percentage of employees per category, by gender (2021)



Percentage of employees per category, by age group (2021)



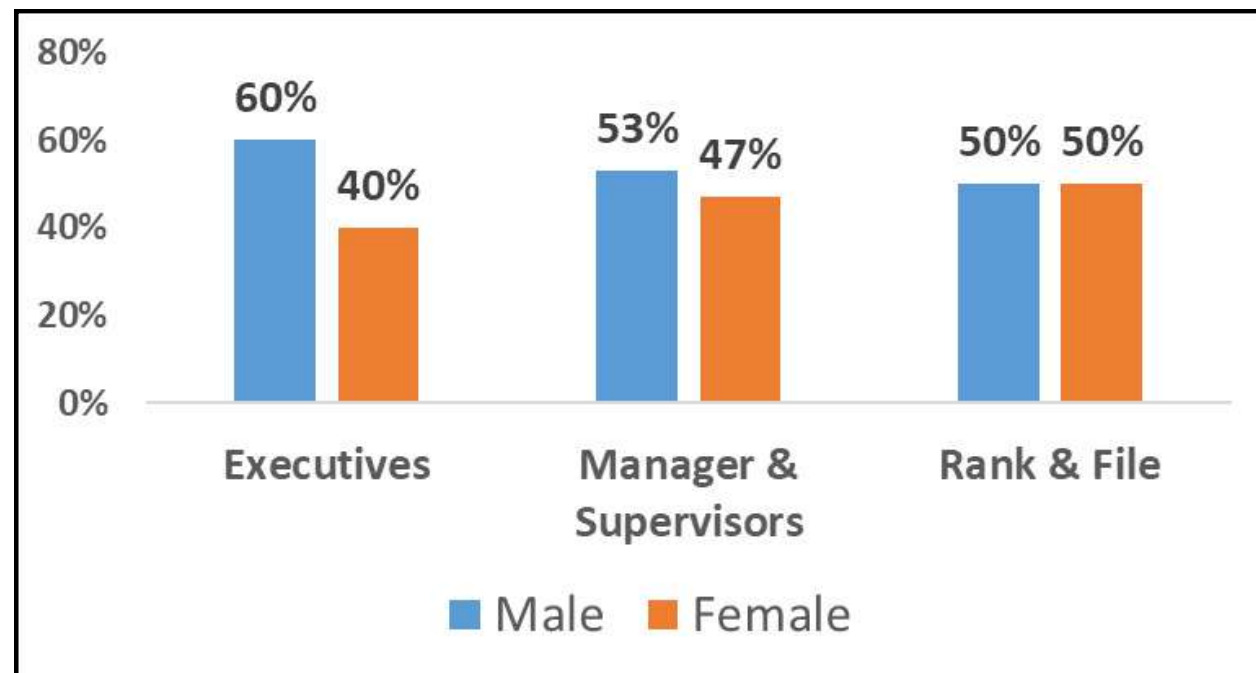
Percentage of employees per category, by gender (2022)



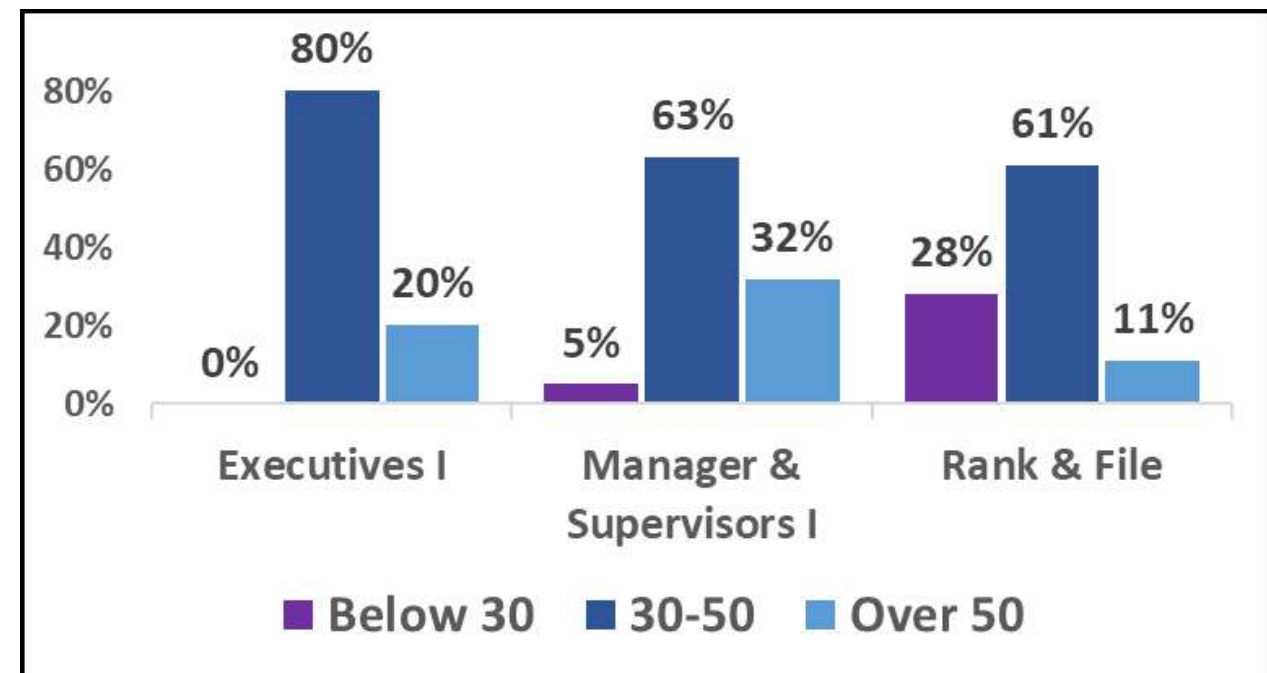
Percentage of employees per category, by age group (2022)



Percentage of employees per category, by gender (2023)



Percentage of employees per category, by age group (2023)



### Management Approach

At present, the Human Resource Information System is in the process of parallel testing, which involves balancing of manual payroll with automated payroll processing. In addition to automation, Employee Self Service is also nearing its launch wherein employees can have access to time logs, online filing and approval of Official Business form, and online filing and approval of leave application. Changes in the mandatory contributions to government-mandated benefits such as SSS and PhilHealth are now being accommodated in the system. Target spin off from the HRIS is by 2024.

### Strategy and Plans

The target and strategy of SBS Human Capital can be summed up in our efforts to recruit, train and retain talented, capable, and motivated individuals; respect their contributions to the company; and keep them safe. To do so, the Company will review their performance regularly and seek to enhance their contribution through feedback and coaching. It will also regularly measure industry benchmarks to ensure that SBS employee compensation and benefits remain competitive.

## **Occupational Health and Safety**

### Objective

SBS continuously adheres to its commitment to ensuring the protection of every employee, including its stakeholders, from any harm, injury, sickness, or death through safe and healthy working conditions. SBS has confidence that the safe and healthy working conditions of the company have guaranteed effective utilization of its manpower resources, maximization of production output, and ultimately, prevention of any loss or damage to the valuable lives of its workers and properties.

SBS strives to maintain the implementation of its top-notch safety management system to manage risks and ensure secured operations, as the goal of the Company is to instill in each and every employee that safety is a responsibility that should be given high importance.

### Management Approach

The Company has a dedicated Environmental, Health and Safety department under the supervision of the Chief Operating Officer. The Company is compliant with different mandates of various government regulatory agencies as to licensing and permits, product registrations, importation clearance, customs documentation, reportorial obligations, and responsibilities. Moreover, employees' health and safety in

the workplace should be given the utmost attention, not only as compliance with DOLE requirements, but most of all, to ensure an accident-free workplace to achieve an efficient and productive output of its manpower resources. Likewise, the optimum utilization of its machinery/equipment and facilities at a lesser cost is to be considered.

The Company understands that a well-established culture of prevention is achieved through continuous support and training. Thus, SBS conducts orientations and regular safety trainings involving all employees, including management and executives, for them to be fully aware of the approaches and procedures to guarantee safety in the workplace. Furthermore, the Company prioritizes the orientations and trainings as well for when natural calamities struck.

Performance Highlights

The constant commitment of SBS to safety bears significant accomplishments. These accomplishments will be used as inspiration to further and strengthen the existing safety management system of the Company to create a secure and safe working environment.

Here are the key highlights from our latest safety sustainability report.

*Employee Training and Well-being:* Investing in our workforce's safety and well-being remains a top priority. Comprehensive training programs and wellness initiatives have not only improved workplace safety but have also contributed to a healthier, more motivated team.

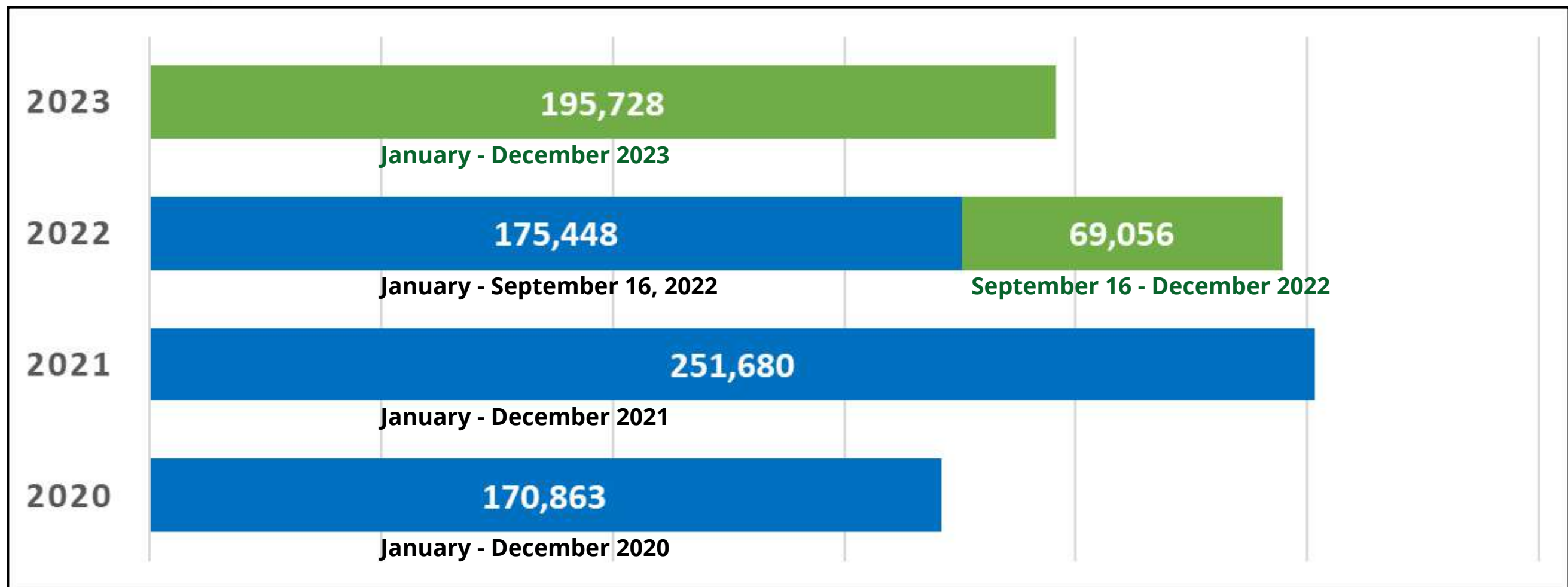
- Fire Safety and Prevention Seminar
- Quarterly Nationwide Simultaneous Earthquake Drill
- Mandatory Eight (8) Hours Safety and Health
- Trucker’s Safety, Loading and Unloading

As we reflect on these achievements, SBS remains steadfast in its commitment to continuous improvement. SBS is more eager to explore innovative solutions, to set higher sustainability targets, and to contribute to a safer, healthier, and more sustainable global community.

The programs of SBS aim to encourage employees to help shape leadership, to learn from each other, to increase productivity, to prioritize their well-being, and to promote and adopt innovations and improvements in occupational health and safety.

Overview of Incidents and Accidents	2020	2021	2022	2023
Number of work-related injuries	0	0	1	0
Number of work-related fatalities	0	0	0	0
Number of work-related illness	0	0	0	0

### Safe Man-Hours



From 2019 to September 16, 2022, SBS has achieved 933,615 Safe Man-hours, almost reaching the "One Million Safe Man-hours" milestone. This achievement was reset when a single case of injury was reported. At present, the Company has accumulated 264,784 Safe Man-hours from September 17, 2022 up until the end of this reporting period. SBS remains eager to achieve the "One Million Safe Man-hours" milestone by intensifying its campaign for safety.

Measures of Injuries/Illnesses Experience	2020	2021	2022	2023
Frequency Rate	0	0	1	0
Severity Rate	0	0	12	0
Number of work-related illness	0	0	0	0

Alignment in the understanding and implementation of safety plans by all stakeholders is critical for the safety performance of the company. In this case, we have led the process very well, ensuring all employees follow the safety standards set by the company and being proactive in reporting incidents.

#### Targets and Plans

SBS exerts every effort possible to prevent accidents within the workplace. However, unforeseen circumstances may still occur despite the employment of extreme measures. SBS encourages its employees to immediately report even minor injuries and near misses because, by reporting even the smallest incidents, the root cause of issues can be examined and eradicated at the earliest stage, thus preventing major incidents to occur.

SBS is constantly striving to improve the safety performance of the company inspired by the goal of achieving million safe-man hours, with zero lost time due to accidents or injuries at work.

# Social: Society

## Local Community

### Objective

SBS Philippines Corporation fully understands its fundamental responsibility and role in contributing to the betterment of society. The Company continuously commits to making a significant impact in the areas of education, health, and wellness in promoting the advancement of the communities where it operates and for the public.

### Management Approach

SBS Group and the Sytengco Foundation, Inc. value the opportunity to facilitate assistance to communities directly surrounding its operation centers. The Company commits to proactively extend its helping hand to various sectors involving its stakeholders in their desire to help society and countrymen improve their lives.

### Performance Highlights

As one of the leading chemical distributors in the Philippines and a provider of innovative solutions, SBS Philippines Corporation extended its support to the Tree Planting Activity organized by the Semiconductor and Electronics Industries in the Philippines Foundation, Inc. (SEIPI).



The Company donated Aquasorb, a groundbreaking product that enhances soil water retention and aids in the survival of plants/trees in dry conditions. The event took place at the esteemed First Philippine Industrial Park in Sto. Tomas, Batangas.





As the newly planted trees take root and thrive with the support of Aquasorb, the First Philippine Industrial Park in Sto. Tomas, Batangas, is poised to transform into a flourishing green haven. This act of goodwill from SBS Philippines serves as a reminder of the power of corporate social responsibility and the collective effort required to create a greener and more sustainable future for generations to come.

## Social: Customers and Products

### Customer Health and Safety

#### Objective

The Company takes all reasonable steps to ensure the health and safety of its customers by offering quality and safe chemical raw material products while at the company premises.

#### Management Approach

To attain and keep the clients safe and healthy, SBS assesses risks to health, safety, and the environment associated with the workplace. It ensures that information, instructions, and training are timely and appropriate. The company also provides value-added services to its customers and guarantees that the products it sells are registered with their respective regulatory agencies and undergo required tests to check their quality and safety prior to distribution.

#### Performance highlights

**NO VIOLATION**

**Twelve (12)  
newly-registered products**

In 2023, there was no incident of non-compliance with local and national regulations concerning the health and safety impact of the Company's products and services.

For the same reporting period, the Company introduced to its customers twelve (12) newly-registered products with the various government regulating bodies.

Staying true to its Quality and Safety Policy, the Company always ensures that all products they import, sell, and distribute are in compliance with all applicable international and local regulations for product quality and safety. This is in line with the Company's commitment to provide quality and safe, yet affordable chemical raw materials and services to its valued customers.

#### Targets and Plans

SBS will continuously offer more sustainable products with the highest quality and the necessary safety guarantees. To ensure the safety and health of users, the Company has protocols in place to guarantee product quality and safety at all business phases of its importation, storage, and distribution process.

## Customer Satisfaction

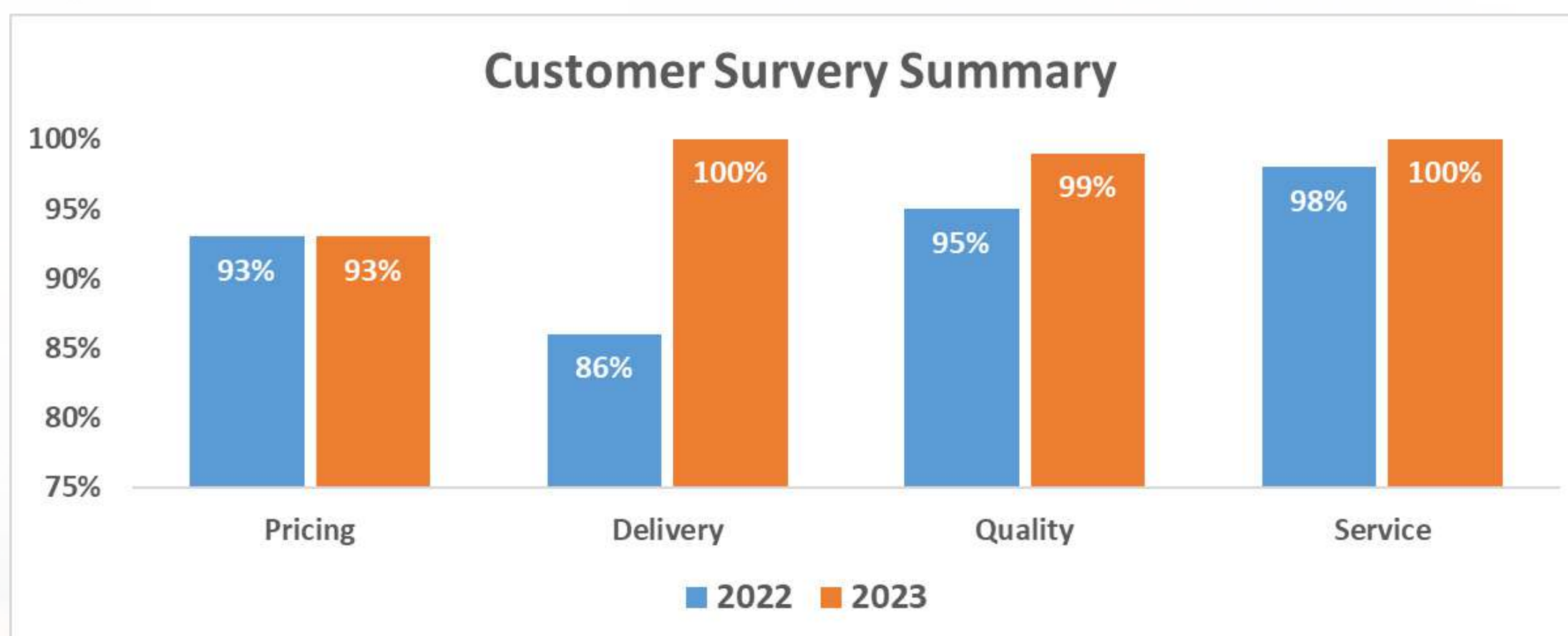
### Objective

To identify our customers' priorities and meet their expectations in an efficient and cost-effective manner.

### Management Approach

SBS generates a quarterly customer feedback summary to measure customer satisfaction. In addition, the Company seeks ways to improve its services to enhance positive customer experience.

### Performance Highlights



The company has conducted a survey to gather feedback from customers on various aspects for the year 2023. The results showed an improvement on ratings for Delivery, Quality, and Service versus the 2022 outcome, while Pricing assessment remained the same for both years. This improvement was contributed by proper coordination on lead time for Delivery, strict implementation of FEFO for Quality, and an established customer relationship for Service.

### Targets and Plans

- For 2024 the Company shall enhance its capability to improve its market pricing strategy.
- To achieve a minimum customer satisfaction level of at least 95% in each parameter.

## Marketing and Labeling

### Objective

To safeguard people and the environment from hazardous chemicals by ensuring that all chemical raw materials sold and dispatched are properly classified, packaged, and labeled.

### Management Approach

SBS is committed to ensuring chemical products are handled safely by providing sufficient and accurate information on all products sold. The Company has also adopted the Globally Harmonized System (GHS) of classification and labeling of chemicals which is organized around three major hazard groups: Physical, Health and Environmental hazard groups.

### Performance Highlights

For the year 2023, there has been no case of non-compliance with regulations concerning product labeling.

### Targets and Plans

Zero cases of non-compliance.

## **Data Privacy**

### Objective

Our commitment to data privacy remains unwavering with a primary objective to ensure compliance with applicable statutory, regulatory and contractual duties governing the use and protection of personal information acquired from our customers, suppliers, employees and other stakeholders.

### Management Approach

SBS actively champions its Data Privacy Policy, a cornerstone in safeguarding customers' rights and meeting government regulations. Our approach centers around the Five Pillars of Data Privacy Accountability and Compliance:

- Appoint a Data Privacy Officer;
- Conduct a Privacy Impact Assessment;
- Implement a Privacy Management Program codified in a Manual;
- Implement data privacy and protection measures;
- Exercise breach reporting protocols.

Regular training sessions are conducted to ensure employees are well-versed in the proper collection, use, storage, retention, access, and disclosure of personal data.

### Performance Highlights

In 2023, SBS has not received any substantiated complaints regarding breaches of customer privacy or losses of customer data. Our proactive stance on data protection led us to make strategic investments in security equipment and software, thereby bolstering the overall security measures and ensuring the continued integrity of customer data.

### Targets and Plans

Recognizing the dual nature of benefits and risks associated with the increased adoption of digital technology, SBS continues to prioritize limited data collection to only that which is necessary for transactional documentation.

The Company will maintain a culture of awareness and responsibility when it comes to data privacy by ensuring that all new and existing employees are oriented on the policy and receive regular updates and advisories to remind them of information security protocols.

Through ongoing vigilance, education, and strategic investments, SBS aims to uphold the highest standards of data protection, fostering trust and transparency in all our interactions.

## Supply Chain Management



The Company has a highly diversified supplier base, which is currently made up of over 500 companies across our supply chain. Furthermore, no single supplier is relied upon to supply a particular chemical or group of chemicals. The Company's business is not dependent on one or a limited number of suppliers.

While the Company holds some distributor arrangements with certain chemical producers, it generally maintains strong long-term relationships with various chemical producers and global distributors to ensure flexibility in sourcing and protection against disruptions in supply.

The Company generally procures its chemical supplies through spot purchase orders rather than long-term supply contracts. For key producers, the Company normally enters into supply framework agreements that operate on an annual basis. These agreements provide for an annual order volume forecast subject to shipment orders issued by the Company.

In 2023, the Company incurred significant expenses related to storage, demurrage, and detention charges of its imported chemicals due to port congestion and inability of some shipping lines to promptly accept the return of empty containers. In addition, the overall transit time from Asian exporting countries to Philippines are between ten (10) to thirty (30) days, while forty-five (45) to sixty (60) days transit time from European exporting countries resulting in higher working capital requirement for the Company.

Despite these challenges, the Company's strategy of carrying high inventories enabled it to continue serving its customers with high degree of reliability.

## GRI Content Index

GRI Standard	Disclosure	Page No.	Omissions
GRI 101: Foundation 2016 (GRI 101 does not include any disclosures)			
General Disclosures			
<b>GRI 102:</b>  General Disclosures 2016	<i>Organizational Profile</i>		
	GRI 102 - 1	Name of the organization	4
	GRI 102 - 2	Activities, brands, products, and services	7, 8, 17
	GRI 102 - 3	Location of headquarters	7
	GRI 102 - 4	Location of operations	7
	GRI 102 - 5	Ownership and legal form	7
	GRI 102 - 6	Markets served	7 - 9
	GRI 102 - 7	Scale of the organization	7-8, 23, 30
	GRI 102 - 8	Information on employees and other workers	34
	GRI 102 - 9	Supply chain	42
	GRI 102 - 10	Significant changes to the organization and its supply chain	42
	GRI 102 - 11	Precautionary Principle or approach	39
	GRI 102 - 12	External initiatives	7
	GRI 102 - 13	Membership of associations	7
	<i>Strategy</i>		
	GRI 102 - 14	Statement from senior decision-maker	2
	<i>Ethics and Integrity</i>		
	GRI 102 - 16	Values, principles, standards, and norms of behavior	5, 30
	GRI 102 - 17	Mechanisms for advice and concerns about ethics	24
	<i>Governance</i>		
	GRI 102 - 18	Governance structure	22
	GRI 102 - 19	Delegating authority	22
	GRI 102 - 20	Executive-level responsibility for economic, environmental, and social topics	35
	GRI 102 - 22	Composition of the highest governance body and its committee	22, 34
GRI 102 - 23	Chair of the highest governance body	10, 22	
GRI 102 - 26	Role of highest governance body in setting purpose, values, and strategy	10, 22	
GRI 102 - 30	Effectiveness of risk management process	26	
GRI 102 - 32	Highest governance body's role in sustainability reporting	11, 12	
<i>Stakeholder Engagement</i>			
GRI 102 - 40	List of stakeholder groups	12	-
GRI 102 - 41	Collective Bargaining Agreements	-	No employee is covered under Collective Bargaining Agreement
GRI 102 - 42	Identifying and selecting stakeholders	12	-
GRI 102 - 43	Approach to stakeholder engagement	12 - 13	-
GRI 102 - 44	Key topics and concerns raised	12 - 13	-

## APPENDIX

GRI 102:		Reporting Practice		
General Disclosures 2016	GRI 102 – 45	Entities included in the consolidated financial statements	12	-
	GRI 102 – 46	Defining report content and topic Boundaries	12	-
	GRI 102 – 47	List of material topics	12, 14	-
	GRI 102 – 48	Restatements of information	-	
	GRI 102 – 49	Changes in reporting	-	
	GRI 102 - 50	Reporting period	12	
	GRI 102 - 51	Date of most recent report	12	
	GRI 102 - 52	Reporting cycle	12	
	GRI 102 - 53	Contact point for questions regarding the report	16	
	GRI 102 - 54	Claims of reporting in accordance with the GRI Standards	12	
	GRI 102 - 55	GRI content index	Annex	
	GRI 102 - 56	External assurance	-	
Material Topics				
GRI 201: Economic Performance 2016				
GRI 103: Management Approach 2016	GRI 103 - 1	Explanation of the material topic and its boundary	23	
	GRI 103 - 2	The management approach and its components	23	
GRI 201: Economic Performance 2016	GRI 201 - 1	Direct economic value generated and distributed	23	
	GRI 201 - 2	Financial implications and other risk and opportunities due to climate change	23	
	GRI 201 - 3	Defined benefit plan obligations and other retirement plans	30	
	GRI 201 - 4	Financial assistance received from government	23 - 24	
GRI 205: Anti-Corruption 2016				
GRI 103: Management Approach 2016	GRI 103 - 1	Explanation of the material topic and its boundary	24	
	GRI 103 - 2	The management approach and its components	24	
	GRI 103 - 3	Evaluation of the management approach	24	
GRI 205: Anti-Corruption 2016	GRI 205 - 2	Communication and training about anti-corruption policies and procedures	24	
	GRI 205 - 3	Confirmed incidents of corruption and actions taken	24	
Climate Change				
GRI 103: Management Approach 2016	GRI 103 - 1	Explanation of the material topic and its boundary	26	
	GRI 103 - 2	The management approach and its components	26	
	GRI 103 - 3	Evaluation of the management approach	26	
GRI 201: Economic Performance 2016	GRI 201 - 2	Financial implications and other risks and opportunities due to climate change	26	

<i>GRI 307: Environmental Compliance 2016</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	27	
	GRI 103 - 2	The management approach and its components	27	
	GRI 103 - 3	Evaluation of the management approach	27	
<b>GRI 307: Environmental Compliance</b>	GRI 307 - 1	Non compliance with environmental laws and regulation	27	
<i>GRI 302: Energy 2016</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	28	
	GRI 103 - 2	The management approach and its components	28	
	GRI 103 - 3	Evaluation of the management approach	28	
<b>GRI 302: Energy 2016</b>	GRI 302 - 1	Energy consumption within the organization	28	
<i>GRI 306: Effluents and Waste 2016</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	27	
	GRI 103 - 2	The management approach and its components	27	
	GRI 103 - 3	Evaluation of the management approach	27	
<b>GRI 306: Effluents and Waste 2016</b>	GRI 306 - 2	Waste by type and disposal method	27	
<i>GRI 401: Employment 2016</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	30	
	GRI 103 - 2	The management approach and its components	30	
	GRI 103 - 3	Evaluation of the management approach	30	
<b>GRI 401: Employment 2016</b>	GRI 401 - 1	New employee hires and employee turnover	30	
	GRI 401 - 2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	34	
	GRI 401 - 3	Parental leave	34	
<i>GRI 403: Occupational Health and Safety 2018</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	35	
	GRI 103 - 2	The management approach and its components	35	
	GRI 103 - 3	Evaluation of the management approach	35	
<b>GRI 403: Occupational Health and Safety 2018</b>	GRI 403 - 1	Occupational health and safety management system	35	
	GRI 403 - 2	Hazard identification, risk assessment, and incident investigation	35	
	GRI 403 - 3	Occupational health services	35	

<b>GRI 403: Occupational Health and Safety 2018</b>	GRI 403 - 4	Worker participation, consultation, and communication on occupational health and safety	35	
	GRI 403 - 5	Worker training on occupational health and safety	35	
	GRI 403 - 6	Promotion of worker health	35	
	GRI 403 - 7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35	
	GRI 403 - 8	Workers covered by an occupational health and safety management system	35	
	GRI 403 - 9	Work-related injuries	35	
<i>GRI 404: Training and Education 2016</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	32	
	GRI 103 - 2	The management approach and its components	32	
	GRI 103 - 3	Evaluation of the management approach	32	
<b>GRI 404: Training and Education 2016</b>	GRI 404 - 1	Average training hours per year per employee	32	
<i>GRI 405: Diversity and Equal Opportunity 2016</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	34	
	GRI 103 - 2	The management approach and its components	34	
	GRI 103 - 3	Evaluation of the management approach	34	
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	GRI 405 - 1	Diversity of governance bodies and employees	34	
<i>GRI 417: Marketing and Labeling 2016</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	40	
	GRI 103 - 2	The management approach and its components	40	
	GRI 103 - 3	Evaluation of the management approach	40	
<b>GRI 417: Marketing and Labeling 2016</b>	GRI 417 - 1	Requirements for product and service information and labeling	39	
	GRI 417 - 2	Incidents of non-compliance concerning product and service information and labeling	40	
	GRI 417 - 3	Incidents of non-compliance concerning marketing communications	40	
<i>GRI 416: Customer Health and Safety 2016</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	39	
	GRI 103 - 2	The management approach and its components	39	
	GRI 103 - 3	Evaluation of the management approach	39	



<b>GRI 416: Customer Health and Safety 2016</b>	GRI 416 - 1	Assessment of the health and safety impacts of product and service categories	39	
	GRI 416 - 2	Incidents of non-compliance concerning the health and safety impacts of products and services	39	
<i>Customer Satisfaction</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	40	
	GRI 103 - 2	The management approach and its components	40	
	GRI 103 - 3	Evaluation of the management approach	40	
<b>GRI 102: General Standard Disclosures 2016</b>	GRI 102 - 43	Approach to stakeholder engagement	12	
	GRI 102 - 44	Key topics and concerns raised	12	
<i>Labor Law Compliance</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	31	
	GRI 103 - 2	The management approach and its components	31	
<i>GRI 418: Customer Privacy 2016</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	41	
	GRI 103 - 2	The management approach and its components	41	
	GRI 103 - 3	Evaluation of the management approach	41	
<b>GRI 418: Customer Privacy 2016</b>	GRI 418 - 1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	41	
<i>GRI 413: Local Communities 2016</i>				
<b>GRI 103: Management Approach 2016</b>	GRI 103 - 1	Explanation of the material topic and its boundary	38	
	GRI 103 - 2	The management approach and its components	38	
<b>GRI 413: Local Communities 2016</b>	GRI 413 - 1	Operations with local community engagement, impact assessments, and development programs	38	
	GRI 413 - 2	Operations with significant actual and potential negative impacts on local communities	38	

## Task Force on Climate-related Financial Disclosures (TCFD) Content Index

Recommended Disclosures	LTG SR Disclosure Content (Page No.)
<b>Governance</b> Disclose the organization's governance around climate-related risks and opportunities.	
1. Describe the board's oversight of climate related risks and opportunities.	3, 4, 10, 22, 26 - 27
2. Describe management's role in assessing and managing climate-related risks and opportunities.	3, 4, 10, 26 - 27
<b>Strategy</b> Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.	
1. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	26 - 27
2. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	26 - 27
3. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	26 - 27
<b>Risk Management</b> Disclose how the organization identifies, assesses, and manages climate-related risks.	
1. Describe the organization's processes for identifying and assessing climate-related risks.	26
2. Describe the organization's processes for managing climate-related risks.	26
3. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	26
<b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
1. Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Processes are still to be set up for the future reporting of this metric
2. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Processes are still to be set up for the future reporting of this metric
3. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Processes are still to be set up for the future reporting of this metric



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