ROBINSONS RETAIL HOLDINGS, INC.

Love Your Shelves

ANNUAL & SUSTAINABILITY REPORT 2023

About the Cover

Every day throughout the Philippines, our stores become touchpoints of joy for the people and communities we serve.

Our 2023 Annual and Sustainability Report, titled “Love Your Shelves,” embodies our earnest hope of enriching the lives of every Filipino through the products and solutions that we lovingly provide.

We remain committed to delivering long-term value as we face the challenges of the future head on and as we try to make a difference, one shelf at a time.

About the Report

Reporting Scope and Boundary

This report provides information on the consolidated Economic, Environmental, Social, and Governance (EESG) performance of Robinsons Retail Holdings, Inc. and its business units operating in the Philippines covering the period January 1, 2023 to December 31, 2023.

For more information, please refer to the Company’s SEC Form 17-A disclosure, which also contains the full list of subsidiaries whose ESG performance have been assessed.

Reporting Standards

This report has been prepared in reference to the Global Reporting Initiative (GRI) standards, the Sustainability Accounting Standards Board (SASB), and the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards - IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. In 2021 and 2022, the Company tracked its climate-related progress against the Task Force on Climate-related Financial Disclosures (TCFD). For the current reporting period, we have started transitioning towards full adoption of the IFRS S2 Climate-related Disclosures.

The accompanying Audited Financial Statements have been prepared in accordance with the Philippine Financial Reporting Standards.

Approach to External Assurance

The Board’s Audit and Risk Oversight Committee is mandated to review and approve the external assurance of the Company’s financial statements and ESG performance.

SyCip Gorres Velayo & Co. (SGV), a member firm of EY, was the external auditor for both the Company’s financial statements and ESG performance. The external assurance statements are available at the end of this report. The Company’s Internal Audit Department also conducted a parallel review to provide an independent assessment complementing the external assurance provided by SGV.

Disclaimer on Forward-looking Statements

This report contains statements that may be considered forward-looking. These statements are based on the objectives, projections, and plans of Robinsons Retail Holdings, Inc., not predictions of likely future events and outcomes. Actual results may vary from what is expressed or implied by such statements as these are subject to risks and uncertainties beyond the Company’s control. These statements apply only at the publication date of this report and the Company is not responsible for having these statements revised or updated after publication.

Contents

RRHI at a Glance

FY23 highlights

Our Reach

+7.6M
customers served on average per week

+9M
Go Rewards members Robinsons Retail's loyalty program

22
market-leading banners

23,172
number of employees

29
distribution centers

2,393
total stores +2,127 franchised TGP stores

Financials

Consolidated Sales
₱192.1B
+7.4% from FY22

Same Store Sales Growth
3.9%
blended SSSG

EBITDA
₱16.4B
+3.6% from FY22

EBIT
₱8.9B
+2.8% from FY22

Net Income
₱4.1B
attributable to parent
(29.9%) from FY22

Earnings Per Share
₱2.78
(29.1%) from FY22

Sustainability

+30%
reduction in Scope 1 GHG emissions intensity (2021-2023)

+2k
MSME's engaged

+2.2k
smallholder farmers engaged

₱27.9M
direct community contribution

194
scholars since 2017

+20k kg
plastics collected for plastic neutrality campaign

+23k kg
food donated

+95k
meals for indigent communities

How We Create Value

Corporate Information

Robinsons Retail Holdings, Inc. is one of the Philippines' largest multiformat retailers. Founded by the late entrepreneur John L. Gokongwei, Jr. with the opening of the first Robinsons Department Store in 1980, we now have a robust network of close to 2,400 stores alongside over 2,100 franchised community drugstores under TGP.

After over forty years of continued service, we have created a varied portfolio of banners tailored to the needs of the Filipino shopper—from supermarkets and convenience stores to drugstores, department stores, DIY stores, and specialty stores covering appliances, toys, mass merchandise, beauty, pet retail, and lifestyle sneakers. Our commitment to expansion remains unwavering. By extending modern retail to underserved regions, we embrace a holistic business ethos prioritizing sustainability amid economic shifts.

Central to our strategy is a culture deeply rooted in customer-centricity, ensuring our products and services resonate responsively with shoppers. Embracing omnichannel retail, we capitalize on synergistic alliances as anchor tenants of premier mall developers like Robinsons Malls while at the same time advancing our digital presence. This dual thrust fortifies our physical footprint while accelerating the digital transition, aligning with evolving consumer preferences.

At Robinsons Retail, we cultivate meaningful relationships with our people, stakeholders, and the communities we serve as we champion a commitment to fostering long-term growth and sustainability.

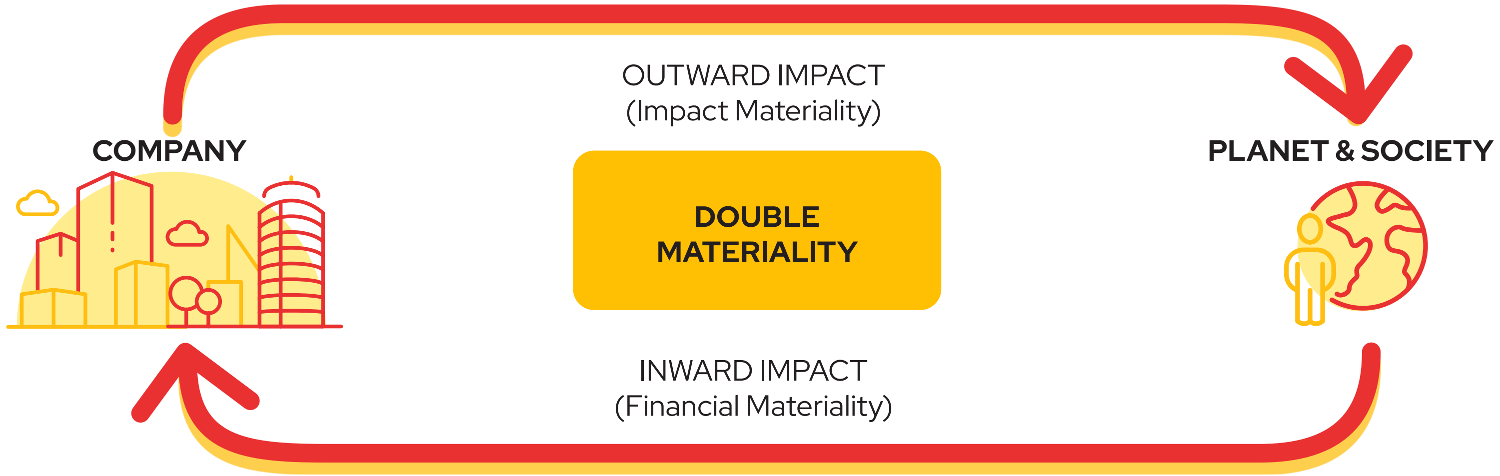
Vision

We enrich the lives of every Filipino with trusted products and solutions that bring them joy.

Mission

We aim to be an innovative lifestyle partner of choice that provides delightful shopping experiences to every Filipino.

Creating Sustainable Value



Double Materiality Dimension	Reference Sustainability Reporting Standard
Impact Materiality of Sustainability Topics	Global Reporting Initiative (GRI)
Financial Materiality of Sustainability Topics	IFRS Sustainability Disclosure Standards Sustainability Accounting Standards Board (SASB)

Recent international developments, together with continuous engagement on ESG topics by the Company's directors and senior management as well as key stakeholders such as our suppliers, allowed us to further improve and recalibrate our sustainability framework.

We applied the principle of double materiality in this year's framework revamp, which acknowledges that companies are not only impacted by external environmental and social factors (financial materiality) but also influence these factors through their operations and decisions (impact materiality). This principle corroborates the recent introduction of the first two IFRS Sustainability Disclosure Standards (IFRS S1 and S2), which were developed in collaboration with multiple ESG standard-setting bodies such as the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD), and the memorandum of understanding by GRI and IFRS to coordinate their work programs and standard-setting activities on sustainability reporting. These reporting developments encouraged the Company to use IFRS S1 and S2 and SASB, in addition to using GRI standards in identifying our material topics. GRI standards have been used by the Company since its first sustainability reporting in 2018. We support the harmonization of sustainability reporting standards towards more comprehensive reporting and enhance comparability of ESG data across all industries.

We have identified 14 material topics housed under our new ESG focus areas coined as the 3Rs of Sustainability: Responsible Retailing, Relationship with Our People and Communities, and Robust Environmental Action. These new focus areas are stakeholder-driven and align with our vision and mission to bring trusted products and solutions that bring joy to our stakeholders by promoting responsible retail practices, fostering constant stakeholder collaborations, and managing our overall environmental impacts.

ESG Focus Areas	Responsible Retailing	Relationship with People and Communities	Robust Environmental Action
Primary Stakeholders Involved	Suppliers, Customers	Employees, Communities	Environment, Employees, Communities
Material Topics	• Product Marketing, Labelling, and Packaging • Product Health, Safety, and Nutrition • Product Sourcing • Data Privacy	• Diversity and Inclusion • Employee Engagement and Labor Practices • Occupational Health and Safety • Training and Development • Local Community Development	• Climate Strategy • Energy Management • Waste Management • Water Management • Materials Consumption

With these enhanced framework and material topics, the Company commits to set its quantitative ESG Targets in 2024.

Stakeholder Engagement

We recognize the importance of engaging with our stakeholders in developing a sustainable and growth-oriented strategy. By promoting dialogue with our key stakeholder groups, which we have identified as our customers, employees, suppliers and franchisees, and investors, we are able to gain valuable insights into their concerns and needs, which in turn help inform our decision-making to remain agile and responsive to changing needs and expectations.

Stakeholder group and why they are important	How they are engaged and frequency of engagement	Concerns raised	Company response
Customers			
Customer-centricity is a key aspect of the way we do business. We exist for our customers and their concerns, needs, and wants are integral to our operations and evolving business strategy.	• Regular feedback through social media • Engagement with our front-line employees during store hours	• Quality of products • Price of products • Accessibility of stores	• We follow strict measures to ensure that all our products pass safety and quality regulations • We price reasonably to reach a wider economic spectrum. • Through our disciplined expansion strategy, we carefully look into new locations and assess the viability of other in different areas across the country.
Employees			
Our employees are our most valuable capital. They drive our operations and growth and represent the company in engaging customers.	• Various engagement activities • Employee engagement survey	• Wages and benefits • Leadership • Career development	• We benchmark our wages and benefits against the best in the industry. • We maintain a work culture that is grounded on our corporate values. We also value leadership that drives growth without compromising employee concerns. • We value our employees and ensure that we provide avenues for them to develop their skills. As much as we can, we fill higher-level positions with internal candidates.
Suppliers and Franchises			
Our suppliers and franchiees are our partners in delivering value to our customers through the products that they (suppliers) produce or consolidate and the stores that they (franchisees) manage.	• Engagement through the operations managers and the buyers	• Procurement terms • Payment schedule • Availability of stocks for fast moving SKUs	• We value collaboration and ensure that we both leave the negotiating table as winners. • We are fair and reasonable in our terms, and we make it a point to engage Treasury for prompt payment of products. • We are committed to improving our engagement with our supply chain for warehousing, distribution, and stocking to ease business transactions for all our partners.
Investors			
As shareholders, our investors have a role in setting our direction based on their financial and non-financial expectations from our performance.	Ad hoc, monthly, and/or quarterly conference calls and in-person meetings with our investor relations team and senior management	• Communication on plans, actions, and impacts on environmental, social, and governance (ESG) topics and how these affect brand and reputation	We publish annual and sustainability reports that detail our financial and non-financial performance and other related developments. This year, we have revised our sustainability framework as a starting step to better align our ESG targets and our value creation strategy.

Managing our risks, building the future

Enterprise Risk Management (ERM) Framework

At Robinsons Retail, we take a proactive and comprehensive approach to managing our risks. We have adopted the Committee of Sponsoring Organizations (COSO) ERM Framework to ensure consistent risk management across all facets of our operations.

COSO ERM Framework

Governance and Culture

1. Exercise Board Risk Oversight
2. Establishes Operating Structures
3. Defines Desired Culture
4. Demonstrates Commitment to Core Values
5. Attracts, Develops and Retains Capable Individuals

Strategy and Objective Setting

6. Analyzes Business Context
7. Defines Risk Appetite
8. Evaluates Alternative Strategies
9. Formulates Business Objectives

Performance

10. Identifies Risk
11. Assess Severity of Risk
12. Prioritizes Risk
13. Implements Risk Responses
14. Develops Portfolio View

Review and Revision

15. Assess Substantial Change
16. Reviews Risk and Performance
17. Pursues Improvement in Enterprise Risk Management

Information, Communication and Reporting

18. Leverages Information and Technology
19. Communication Risk Information
20. Reports on Risk, Culture and Performance

Risk Classifications

Identifying and defining risks is a critical component for effective ERM. We have identified seven (7) primary risks that have the greatest potential to impact Robinsons Retail. By understanding these risks, we are able to inform decision-making and strategy on how to minimize potential impact.

1. Strategic risk
Risks that potentially impact our short, medium, and long- term goals; business models and adaptive pivots in response to emerging trends in the retail industry.

2. Financial risk
Risks that are associated with our performance across its key financial metrics, with emphasis on the net income.

3. Operational risk
Risks that are present in the daily conduct of business, such as physical risks to stores and distribution centers, as well as disruptions in the supply chain.

4. Reputational risk
Risks that affect stakeholder perspective on Robinsons Retail and its subsidiaries.

5. People risk
Risks associated with labor management and employee satisfaction.

6. Legal and Governance risk
Risks associated with compliance to pertinent laws and regulations, policy requirements, and relations with the government.

7. Digital risk
Risks within Robinsons Retail's thrusts of incorporating relevant technologies in various aspects of business operations.

Conglomerate Map

- **Robinsons Retail Holdings, Inc.**
  - **Robinson's Supermarket Corporation** 100%
    - Robinson's Handyman, Inc. 80%
      - Robinson's True Serve Hardware Philippines, Inc. 67%
      - Handyman Express Mart, Inc. 65%
      - Waltermart-Handyman, Inc. 65%
      - RHI Builders and Contractors Depot Corp. 100%
      - Home Plus Trading Depot, Inc. 75%
    - Robinson's Appliances Corporation 67%
    - South Star Drug, Inc. 90%
      - TGP Pharma, Inc. 51%
        - The Generics Pharmacy, Inc. 100%
      - Rose Pharmacy, Inc. 100%
    - Savers Electronic World, Inc. 90%
    - Super 50 Corporation 51%
    - Robinson's Ventures Corporation 65%
    - Sole Fashion, Inc. 98%
  - **Everyday Convenience Stores, Inc. (inactive)** 100%
  - **Robinson's Daiso Diversified Corporation** 90%
  - **RHD Daiso-Saizen, Inc.** 59%
  - **GoTyme Bank Corporation** 20%
  - **Robinson's Bank Corporation** 40%
  - **New Day Ventures Limited** 100%
    - G2M Solutions Philippines, Inc.* 14%
    - HD Retail Holding Pte. Ltd. 23%
    - Super Pumped Pte. Ltd. 20%
  - **RRHI Trademarks Management, Inc.** 100%
  - **Data Analytics Ventures, Inc.** 40%

**Represent notes with conversion rights*

Brand Portfolio and Acquisitions

1980
- We opened the first **Robinsons Department Store**.

1985
- We entered food retail with the opening of our first **Robinsons Supermarket**.

1994
- Our first **Handyman** store opened.

2000
- We opened our first **Robinsons Appliances**.
- We brought Ministop to the Philippines (now **Uncle John's**).

2006
- We became the exclusive licensee of **Toys "R" Us** Asia.

2007
- Our first major acquisition, we acquired **True Value** in the Philippines, our second DIY format.

2009
- We brought **Daiso Japan** to the Philippines as exclusive franchisee.

2012
- We acquired 90% of **Southstar Drug**, one of the country's largest and oldest drugstore chains.

2013
- We launched our Loyalty Card Program to better engage with our customers.
- We were listed on the PSE on November 11, 2013.

2014
- We launched **Robinsons Easymart**, our minimart format.
- We entered cosmetics with the acquisition of Beauty Skinnovations, a licensed reseller of **Benefit** and **Shiseido**.

2015
- We acquired 90% of **Savers Appliances**, our second appliances format.

2016
- We acquired 51% of **TGP**, the largest generics drugstore chain in the country with more than 2,000 franchised stores.

2018
- We acquired Rustan Supercenters from the Dairy Farm Group. Rustan owned **The Marketplace** and **Shopwise**.
- We were appointed exclusive franchisee of **Pet Lovers Centre**, the biggest pet chain in SG
- We invested in B2B platform **Growsari Inc.** where we currently have a 14% stake.

2019
- We became the exclusive franchisee of Emart of Korea's **No Brand**.
- We opened our first **Super50** store.

2020
- We launched our own e-commerce platforms, including GoRobinsons.ph (renamed to **GoCart.ph** in 2022).
- We acquired **Rose Pharmacy** from the Dairy Farm Group.

2021
- We invested in **Edamama** where we currently have an 11% stake.
- We acquired a 20% interest in **GoTyme**, one of six digital banks given licenses by the BSP.

2022
- We opened the first flagship store of **Clé de Peau Beauté**, a luxury beauty brand under Shiseido.
- We acquired the 40% share of Ministop Japan, making us the 100% owner of Ministop Philippines, which we have rebranded to **Uncle John's**.

2023
- We acquired a 4.4% effective stake in **BPI**, which is on top of the merger between Robinsons Bank and BPI.
- We acquired the **Sole Academy** brand, which serves as our entry into the premium lifestyle sneakers format.

2024
- Completion of merger between **Robinsons Bank** and **BPI**, enabling us to effectively own 6.5% of BPI and to be entitled to a board seat.

Joint Message from the Chairman and President/CEO

Chairman's and President's Message

Dear Stakeholders,

2023 was another year of continued growth, marked by milestones built upon our commitment to sustainable growth and nurturing shareholder value.

This year, the global economy posed both challenges and opportunities for retailers like us. Heightened inflation exerted considerable pressure on consumer baskets and operating expenses. In addition, the already cutthroat competition in the market intensified further. New and established players continued to accelerate their expansion efforts, eager to capitalize on the prospects of a growing retail market.

Amidst these headwinds, we persevered and managed to generate growth. Our journey has indeed been marked by milestones. In the last ten years, we debuted our minimart format and subsequently entered the premium and hypermarket formats for our supermarkets. We also added banners in drugstores and entered new formats like pet retail. We introduced our own e-commerce platform GoCart and transformed our convenience stores into a truly Filipino brand named after our founder John Gokongwei Jr.

In 2023, our revenues increased by 7.4% to Php192.1 billion, supported by our blended same store sales growth (SSSG) of 3.9% and our store expansion initiatives. Strong topline growth augmented by gross profit expansion grew our EBITDA by 3.6% to Php16.4 billion and our EBIT by 2.8% to Php8.9 billion. Core net earnings, which exclude non-recurring items, grew by 1.5% to Php5.6 billion despite rising cost pressures. The primary drivers of revenue growth were our core staples businesses, namely Supermarkets and Drugstores, accounting for over 70% of revenues.

Our resilience is directly attributed to an unwavering commitment to become the retailer of choice of Filipinos.

Strategic Growth

First, we have strategically expanded our store network in underserved regions where modern trade retailers are in high demand. In 2023, we opened 84 new outlets with bulk of the store openings happening outside Metro Manila growing our total store network to 2,393 stores. At the end of 2023, our Supermarket Segment was made up of 151 Robinsons Supermarket stores, 38 The Marketplace stores, 16 Shopwise stores, 125 Robinsons Easymart stores, and 19 No Brand stores; Drugstores with 651 Southstar Drug stores, 403 Rose Pharmacy stores, and 2,127 TGP franchise stores; 50 Robinsons Department Stores; 201 Handyman stores and 29 True Value stores in DIY; 408 Uncle John's convenience stores; as well as 84 Robinsons Appliances stores, 35 Savers Appliances stores, 42 Toys R Us stores, 93 Daiso Japan stores, 20 Super 50 stores, 11 beauty stores, 10 Pet Lovers Centre stores, and 2 lifestyle sneakers stores called Sole Academy.

Our 23% stake in O!Save, established in 2021, allows us to participate in the hard discount grocery market. Most of O!Save's stores are currently located in Luzon, particularly in Bulacan, Pampanga, Rizal, and NCR, and they are poised to open more stores across the Philippines currently supported by two distribution centers.

Better Choices

Next, we have further elevated the customer experience by thoughtfully curating a selection of products and services tailored to meet the evolving needs of consumers. To illustrate, we widened our offerings of imported products to cater to consumers seeking greater variety.

Our private label business has also ramped up, now encompassing a broader range of high-quality categories ranging from food to medicines to general merchandise sold at affordable prices.

In collaboration with DFI Retail, we formally launched the Meadows brand in the Philippines. Meadows is DFI Retail's multi-awarded private label brand of high-quality products sourced from all over the world and sold at great value. We also continue to work with exceptional local suppliers, in-line with our aspiration to support local industries and to position our business as a source of sustainable options.

On January 1, 2024, the merger between BPI and Robinsons Bank was finally completed, with the former as surviving entity. We now effectively own 6.5% of BPI and are entitled to a board seat in the bank. With the merger, we hope to empower our suppliers and partners with more solutions to service their individual business needs and aspirations, while keeping service levels up at our stores. We also expect to see more promotional tie-ups with the bank.

Physical + Digital

Third, we have maintained a robust omnichannel presence to retain our top-of-mind status. This has enabled us to capture more customers across the retail spectrum – from those who prefer visiting our physical stores to those who opt for the convenience of shopping online, and everyone in between.

We continue to reinforce our robust supply chain and currently have a nationwide network of 29 strategically located distribution centers covering a total area of 257,900 square meters. As we continue our drive towards becoming a true omnichannel retailer, our e-commerce platform GoCart remains vital to this transformation.

Our 14% stake in Growsari, a tech-enabled platform supporting a network of over 1 million sari-sari stores nationwide, allows us to also help bring omnichannel to MSMEs and support them with products sourced from Robinsons Supermarket. Operating in 23 key cities across the Philippines, it is the largest such platform in Southeast Asia. Growsari also provides tech and logistics contractual support to GoCart, as well as franchise logistics to TGP, which all further synergistic value.

GoTyme continues to accelerate and has become the digital bank of choice for its over 2.8 million customers. One of only six digital banks given licenses to operate in the Philippines by the Bangko Sentral ng Pilipinas, our 20% stake in GoTyme allows us to help bank unbanked or underbanked Filipinos through an easy and convenient yet secure and reliable digital bank. There are currently close to 400 bank kiosks located at our stores, allowing customers to receive a debit card within minutes. Other than free cash-in and cash-out transactions at our stores, GoTyme has also been seamlessly integrated with Go Rewards which allow customers to earn points every time they use their card. This synergy has helped grow our Go Rewards members to over 9 million.

Sustainability at the Heart

We take sustainability seriously at Robinsons Retail. As we further embed sustainability in the way we do business, our sustainability strategy has also evolved, with emphasis on three key areas: Responsible Retailing, Relationship with Our People and Communities, and Robust Environmental Action – Robinsons Retail's 3 Rs of Sustainability.

This year, we engaged over 2,000 MSMEs and over 2,200 small-hold farmers either through our Farm-to-Table Program or our other initiatives that support local and social enterprises. Our network of over 500 TGP franchisees not only makes quality and affordable generic medicines available to everyone, but also helps empower local entrepreneurs in contributing to their local economies.

We reduced over 30% of our direct greenhouse gas emissions intensity since 2021 primarily through the continuous phaseout of refrigerants with higher carbon footprints, upgrade and replacement of refrigeration and air-conditioning units, and the expansion of our use of water-loop refrigeration systems. We have also undertaken an assessment of 83 facilities for exposure to climate hazards like extreme typhoons, extreme heat, flooding, and sea level rise, which we will be using to inform and reinforce our business strategy and continuity plans.

Our combined efforts to achieve plastic neutrality have enabled us to collect over 20,000 kilos of rigid plastics through the expansion of our in-store, community-based, and events-based plastic collection initiatives through Gokongwei Group's Juan Goal for Plastic campaign and our homegrown Easy on the Plastic campaign.

To help battle food waste, we rescued around 23,000 kilos of near expiry but still good quality food, which have been turned over to Scholars of Sustenance and converted to over 95,000 meals for indigent communities.

To ensure accurate and reliable reporting of not only our financial information but our sustainability information, we have undertaken ESG assurance from an independent third party for our sustainability report in 2023, the first in the Gokongwei Group to do so. Through these combined efforts, we hope to help ensure a sustainable future for all by being a sustainable business.

This year, we were able to partner with volunteer groups and nonprofit organizations whose work in creating meaningful impact in society continue to inspire us to do better every day: Ateneo Center for Educational Development, Association of Mouth and Foot Painting Artists Philippines, Cancer Warriors Foundation, Caritas Manila, Childhope Philippines Foundation, Communities Organized for Resource Allocation, Feeding Metro Manila, The Foundation Foundation, Friends of Hope, Leah Borbon Hope of Angels, Lions Club of Marikina Valley, Philippine Foundation for Breast Care, Right Start Community Development, Save Philippine Seas, Scholars of Sustenance, Tahanang Walang Hagdanan, Thrive Foundation, Virlanie Foundation, World Vision Development Foundation, and the UP Men's Basketball Team, among others.

Since 2017, in collaboration with the Gokongwei Brothers Foundation, we have been able to support close to 200 pharmacy students across the country to complete their college education. This year, we are very proud of our 25 scholars who passed the 2023 Pharmacy Licensure Examination and we will continue to support them on their journey to becoming pharmacy professionals.

We marked a significant milestone in 2023 as we celebrated our 10th anniversary as a publicly listed company. We celebrated the occasion with a bell ringing ceremony at the Philippine Stock Exchange in November with the Directors and Officers of the PSE and Robinsons Retail. Our efforts for excellence in corporate governance were also once again recognized by the Institute of Corporate Directors with a Golden Arrow Award as we continue to bolster our corporate governance standards and practices.

Our continuing efforts in doing good for our people were also recognized by the Philippine Daily Inquirer and Statista with our inclusion in the 2024 edition of "The Philippines' Best Employers". From a list of over 2,000 employers and evaluated recommendations from around 16,000 employees, Robinsons Retail was recognized as one of the country's 300 most preferred employers. We will continue to strive to be a top employer of choice by nurturing a workplace that values meritocracy, collaboration, inclusivity, agility, and innovation.

This year, we welcomed DFI Group Chief Executive Scott Price as a member of Robinsons Retail's Board. He joins the 9-seat RRHI Board and succeeds Ian McLeod, who was elected to the Board in 2018. Scott has over 30 years of retail, logistics, and consumer packaged goods sector experience from around the world, with key management roles in UPS, Walmart, DHL Express, and Coca Cola. Scott is also a Non-Executive Director of Coles Group in Australia.

We also appointed Stanley Co as Chief Operating Officer. Stanley has been with Robinsons Retail for over 20 years and was Managing Director of our Supermarket Segment where led the segment to breach the Php100 billion mark for the first time. He also previously headed our DIY, Mass Merchandise, and Pets Segments for 12 years.

Looking Ahead

In all, our various initiatives support our diversified business strategy, which hopefully benefits both consumers and businesses across the Philippines. Encouraged by our financial performance in 2023, we will sustain our positive trajectory in 2024 where we expect all our formats to see continued steady growth. We are looking to accelerate our store rollout program and target to open 100 to 120 net new stores across the Philippines. We will continue to improve store efficiency as well as increase the share of premium and imported products to further underpin margin expansion.

As we look ahead, we are confident in sustaining our growth despite the multitude of external risks we continue to face. Guided by our time-tested retail blueprint that emphasizes customer-centricity, we intend to remain agile and responsive, ensuring that our products and services constantly evolve in tandem with changing market dynamics.

We also recognize the significance of balancing the needs of our retail customers with the interests of our diverse stakeholders. Therefore, we also commit to conducting our operations sustainably by integrating responsible sourcing, ensuring product and service excellence, fostering employee development, and taking proactive environmental measures into our business practices.

2023 has been a meaningful year for us at Robinsons Retail and we are excited to see how 2024 unfolds. Together, we hope to continue to make a difference to the people and communities we serve as we create a more sustainable future.

Here's to another meaningful year ahead as we bring more moments of love and joy, one shelf at a time.

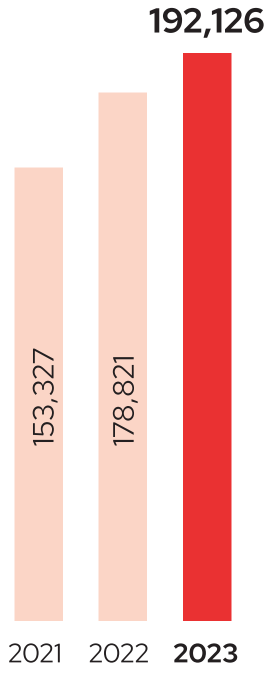
Lance Y. Gokongwei
Chairman

Robina Gokongwei-Pe
President and CEO

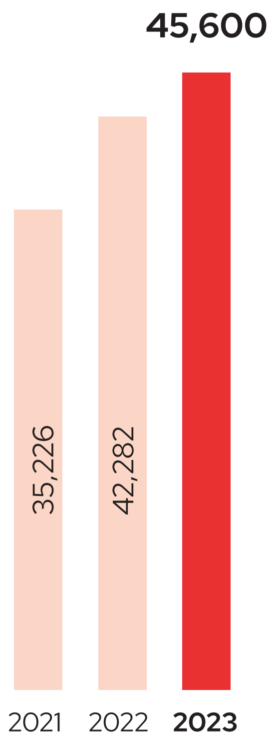
Group Financial Highlights

In million pesos

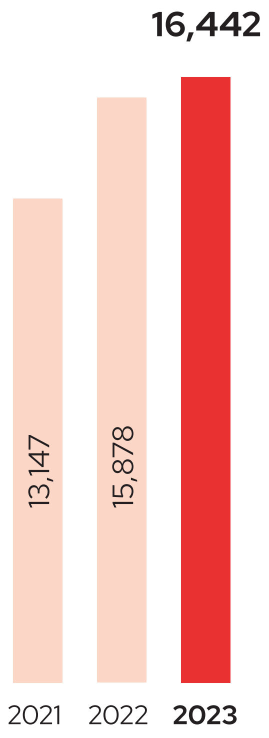
Net Sales



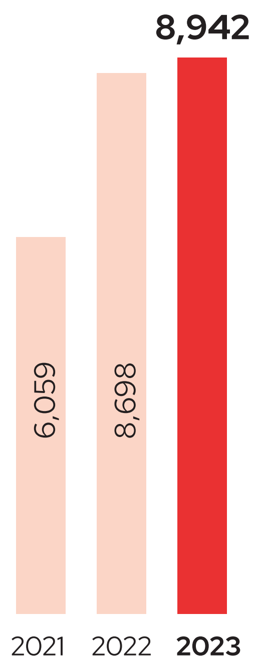
Gross Profit



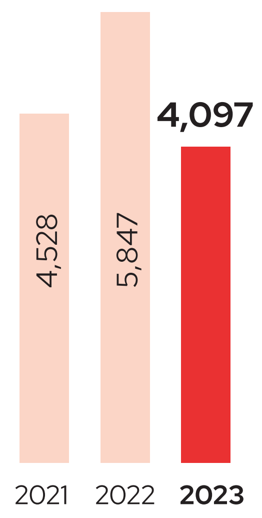
EBITDA

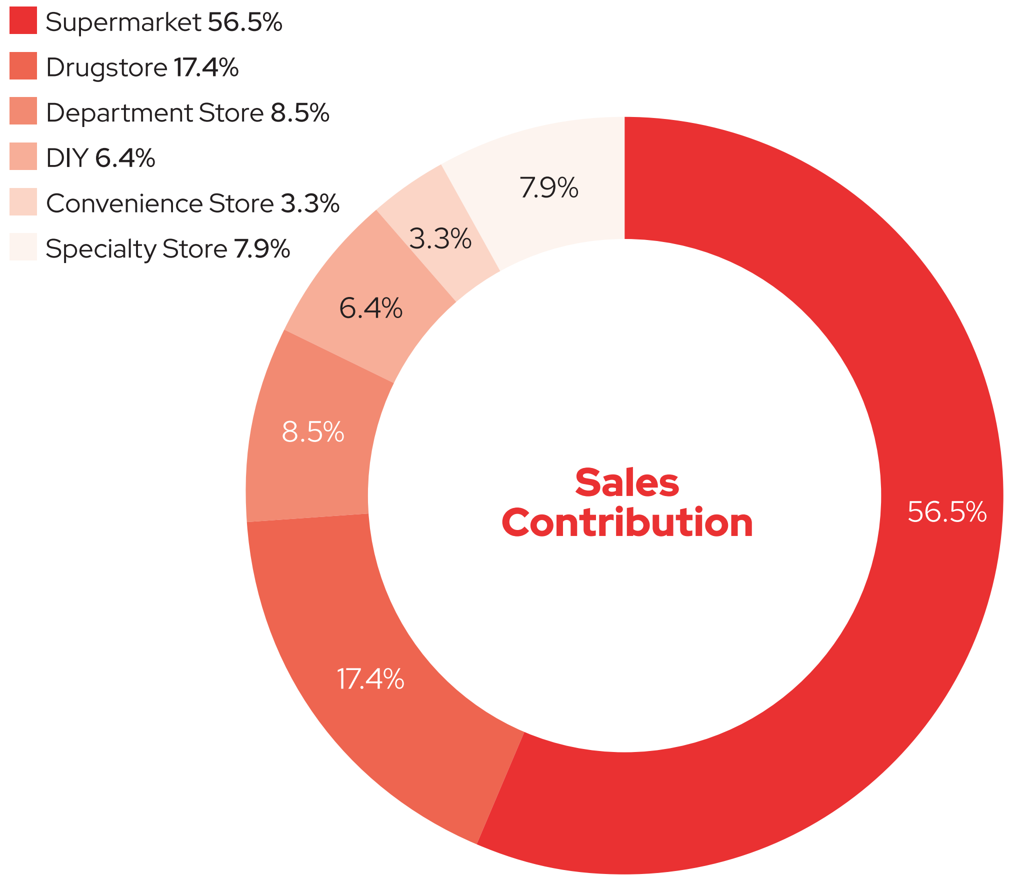


EBIT

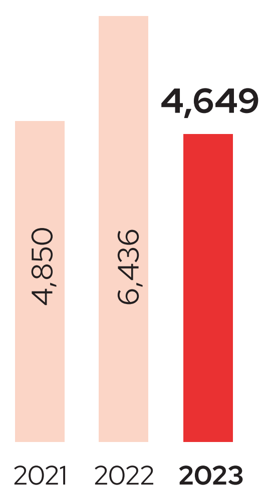


Net Income Attributable to the Parent Company

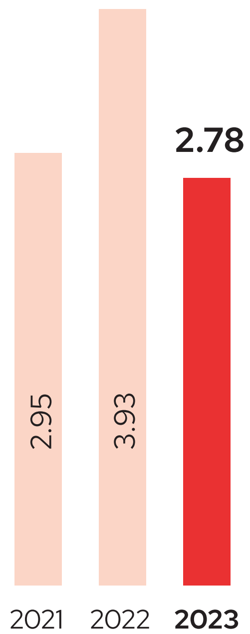




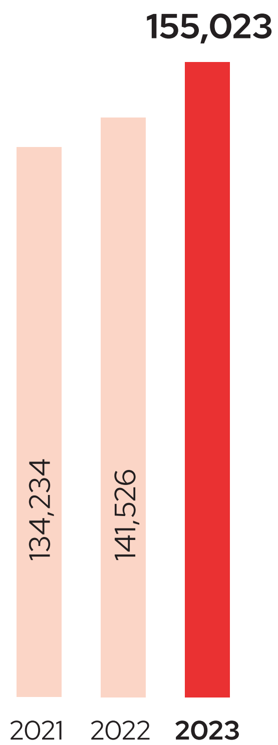
Net Income



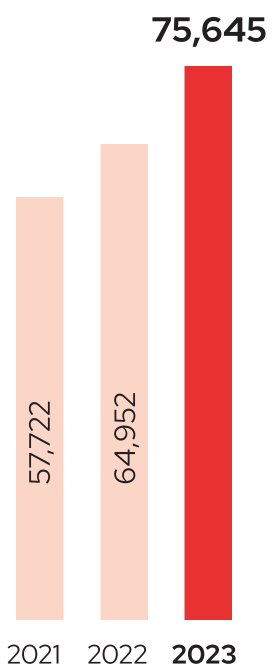
Earnings per Share



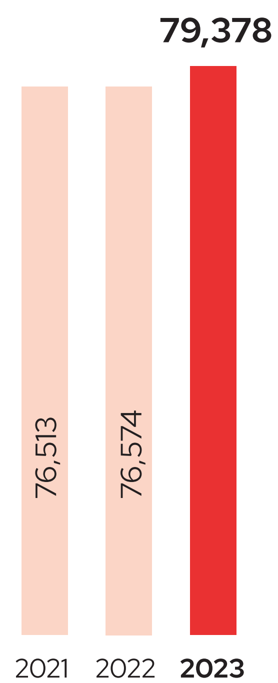
Total Assets

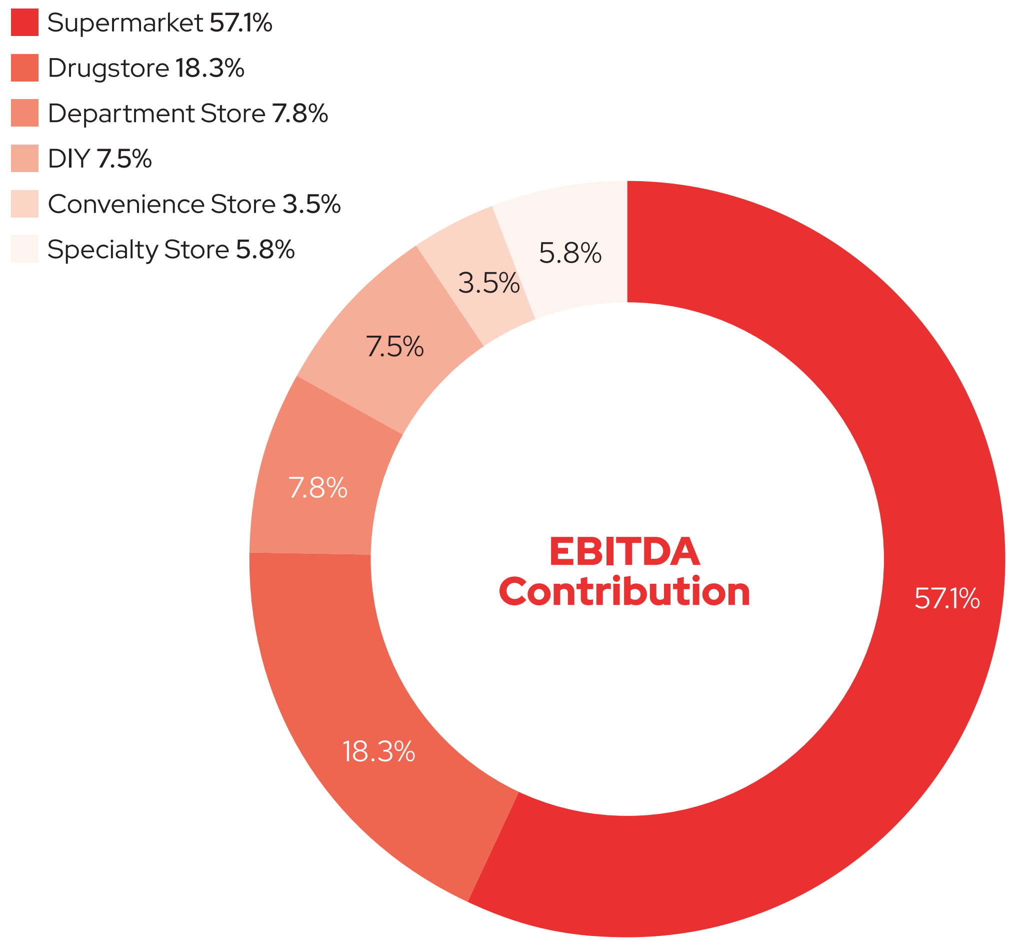


Total Liabilities



Total Equity





Business Review

Business Review

Robinsons Retail achieved Php192.1 billion in net sales in 2023, a notable increase of 7.4% supported by blended same store sales growth (SSSG) of 3.9% and store expansion initiatives. Despite the impact of inflation on consumption and a challenging base in 2022 which benefitted from economic reopening and election-related spending, the company continued to demonstrate resilience. The primary drivers of revenue growth were the core staples businesses, namely supermarkets and drugstores, which collectively accounted for over 70% of revenues.

Gross profit rose by 7.8% to Php45.6 billion in 2023, outpacing revenue growth. This was propelled by assortment shifts and the sustained penetration of private label brands. Operating income also experienced moderate growth, rising by 2.8% year-on-year to Php8.9 billion.

Net income attributable to equity holders of the parent company however decreased from Php5.8 billion in 2022 to Php4.1 billion in 2023. The decline was due to the reversal of foreign exchange gains in 2022 to a loss in 2023 due to the appreciation of the peso against the US dollar, the derecognition of Robinsons Bank's net income under equitized earnings following its merger with BPI, and losses from start-up investments. Meanwhile, core net earnings, which exclude foreign exchange gains/losses, interest income from bonds, equity in earnings from associates, interest expense related to the BPI shares acquisition financing, BPI cash dividends, and other one-time or non-operating items, exhibited marginal growth of 1.5% to Php5.6 billion.

Throughout the year, Robinsons Retail expanded its footprint by adding 84 new stores, predominantly in the Supermarket and Drugstore segments. This brought the total number of stores to 2,393, comprising 349 supermarkets, 1,054 drugstores, 50 department stores, 230 DIY stores, 408 convenience stores, and 302 specialty stores. Additionally, the company operates 2,127 franchised stores of TGP. The assortment of specialty stores includes 119 appliances & electronics stores, 42 toys stores, 118 mass merchandise stores, 11 beauty stores, 10 pet stores, and 2 lifestyle sneakers stores.

TARGET 8-1

SUSTAINABLE ECONOMIC GROWTH

Contributing to Shared Growth:
Direct Economic Value Generated and Distributed

Economic Performance (in Million Php)			
In million pesos	2021	2022	**2023**
Direct economic value generated (revenue)	155,368	181,257	**193,669**
Direct economic value distributed			
Operating costs*	143,484	166,418	**179,557**
Employee wages and benefits*	5,956	6,185	**7,145**
Payments to suppliers, other operating costs	*already included in the operating cost*	*already included in the operating cost*	***already included in the operating cost***
Dividends that are given to stockholders	3,306	3,663	**4,753**
Taxes given to the government	1,744	2,291	**2,367**
Investments to the community (e.g., donations, CSR)	38	13	**28**
Direct economic value retained	841	2,688	**(200)**

** Restated 2021 and 2022 values due to the original inclusion of third-party manpower wages in the employee wages and benefits.*

At Robinsons Retail, we aim to create long-term value and shared successes within the communities we operate in. Through our operations and supply chain, we are able to impact local economies by generating employment and nurturing a robust network of partners and suppliers from various entrepreneurial backgrounds.

To ensure a healthy financial standing and sustained resilience, we maintain rigorous business continuity plans to protect our assets and have a dedicated Enterprise Risk Management Team, overseen by our Board of Directors.

We continue to implement our Share Buy Back Program worth Php7.0 billion to increase shareholder value and optimize returns for our investors. Our annual cash dividend of Php 2.00 per share in 2023 equates to a payout ratio of 50%, above our 40% dividend policy.

Looking forward, we are focused on expanding our presence in underserved areas, strengthening our omnichannel strategy, and pursuing strategic acquisitions to drive growth. Additionally, we are committed to operational efficiency, sustainability, and data-driven decision-making, ensuring that we continue to deliver value to all stakeholders while navigating the evolving business landscape with resilience and foresight.

Thriving in Tandem

On January 1, 2024, the merger between BPI and Robinsons Bank was finalized, with BPI emerging as the surviving entity. Robinsons Retail now effectively owns 6.5% of BPI and is entitled to a board seat in the bank.

Robinsons Bank has played a pivotal role in helping our key suppliers grow through the financial products and services that it has offered, and this is expected to grow even more with the facilities now accessible through BPI, helping them enhance their operational capabilities and service offerings. This ripple effect cascades throughout our supply chain, resulting to improved efficiency, reliability, and ultimately, enhanced customer satisfaction.

Omnichannel is Now

Our digital investments remain vital as we continue to expand our digital footprint to accelerate our omnichannel strategy.

We maintain a 14% stake in Growsari, a technology-driven B2B platform serving over 1 million sari-sari stores across the Philippines, with products sourced from Robinsons Supermarket. Growsari's monthly active store users continue to increase, all serviced via 23 distribution centers.

Now with close to 3 million customers in merely 14 months since it began commercial operations, GoTyme continues to make waves in the digital banking space. We currently have a 20% stake the digital bank, which now has close to 400 bank kiosks located at our stores. We continue to be able to onboard more customers on GoTyme, which allows them to receive a debit card within minutes but also conveniently cash-in and cash-out for free across our stores and earn Go Rewards points every time they use their cards. As GoTyme continues to accelerate, has also helped accelerate the growth of our Go Rewards customer base, which now has more than 8 million members.

Our 23% stake in O!Save, a hard discount supermarket chain established in 2021, also continues to yield promising results as it continues to expand across the country. This collaboration enables us to tap into the growing hard discount supermarket segment, while enabling O!Save to tap into the expertise and resources of an established retail player like us.

Finally, GoCart, our in-house e-commerce platform dedicated to our formats, remains essential to realizing our omnichannel push. GoCart continues to allow us to bridge the gap between our physical stores and our online footprint, offering customers convenience and flexibility in their shopping journey.

Our People

Diversity Drives Innovation

At Robinsons Retail, diversity is our strength. Each member of our team brings a unique set of skills, perspectives, and experiences to the table, enriching our approach to business and driving innovation forward. We understand that fostering an inclusive workplace is not just the right thing to do – it is essential for our success.

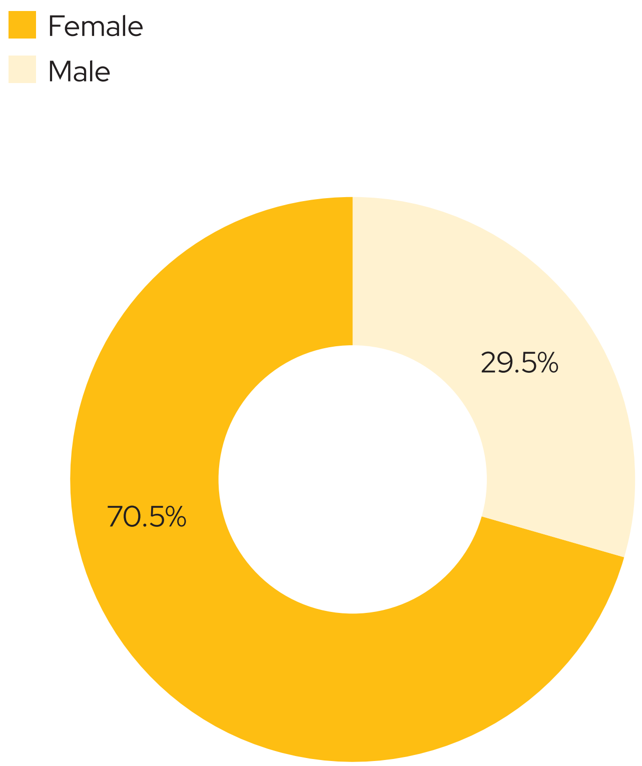
Our hiring and onboarding process are designed to be objective and non-gendered, ensuring that we attract and retain a diverse pool of talent. We are committed to creating environments where everyone, regardless of gender, feels valued and empowered to contribute their best work.

At Robinsons Retail, women are at the helm, steering our Company's success across all facets of management. Currently, women comprise 70.5% of our workforce, occupying key positions, including our President and CEO, Chief Financial and Chief Risk Officer, Treasurer, Corporate Secretary, and Head of Corporate Planning, Investor Relations, and Sustainability. Additionally, 65.9% and 66.1% of women employees hold managerial and supervisory roles, respectively.

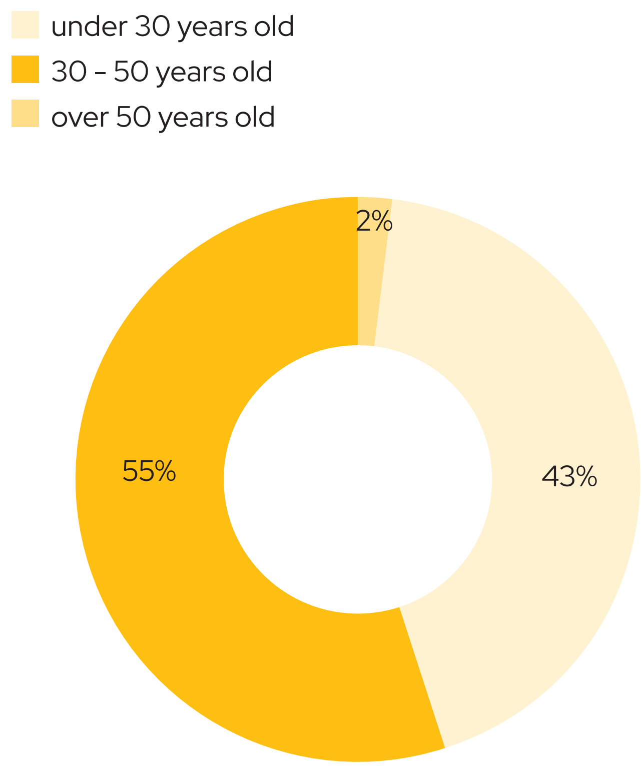
Our efforts in championing our employees resulted in our re-inclusion in the Philippine Daily Inquirer and Statista's list of the Philippines' Best Employers, together with our subsidiaries, Robinsons Supermarket, Robinsons Appliances, Rose Pharmacy, and South Star Drug.

2023 Demographics

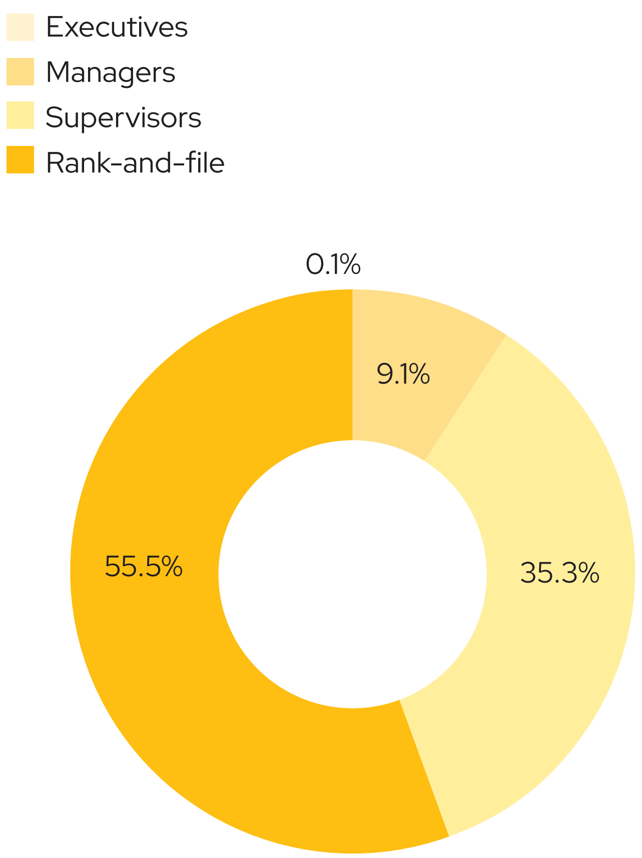
By Gender



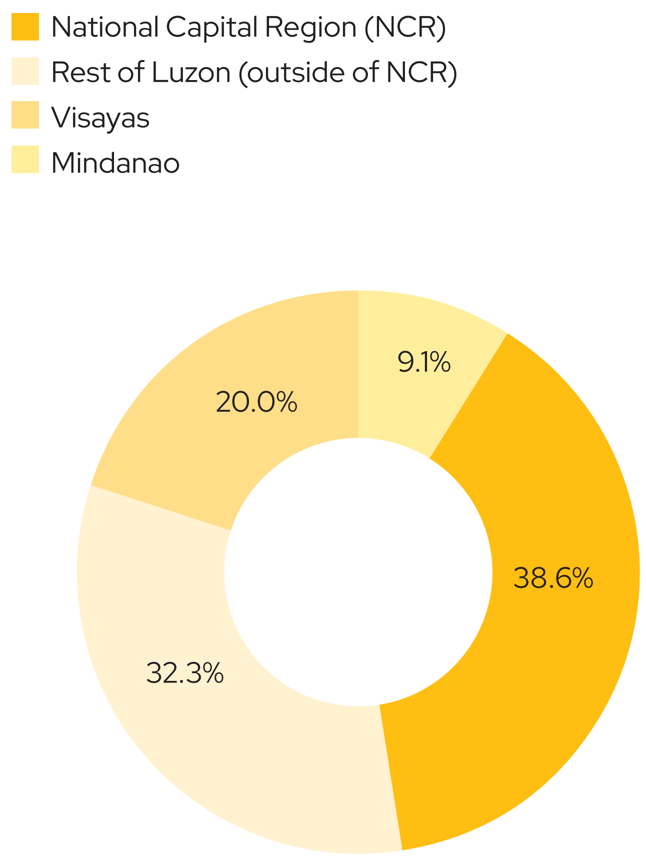
By Age Group



By Rank

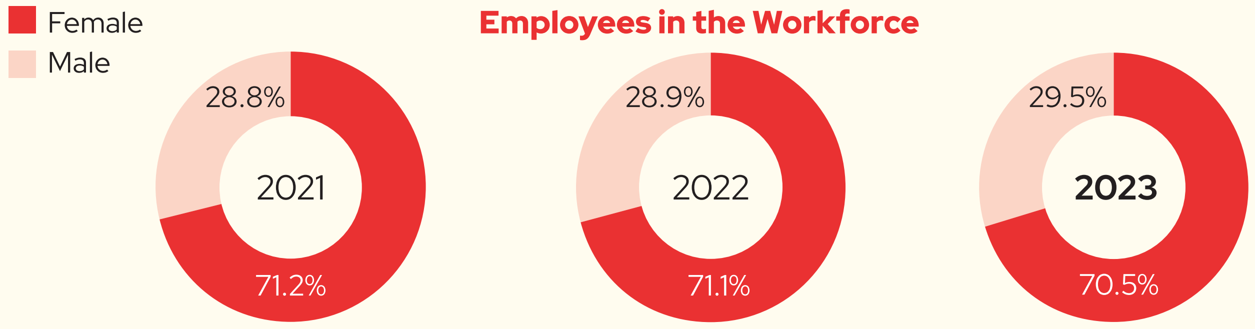


By Residence

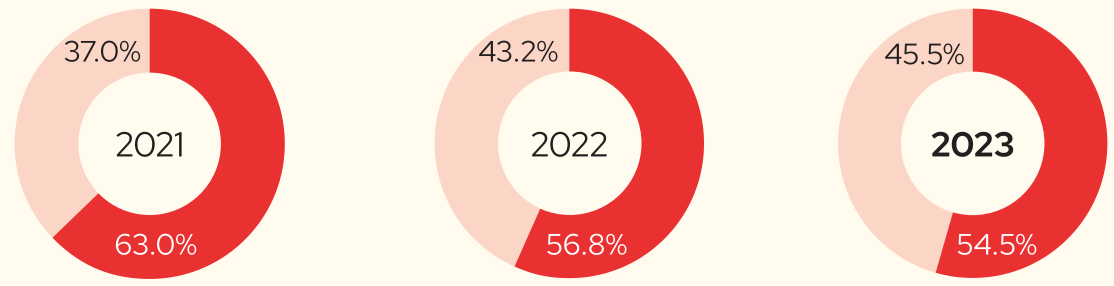


Diversity and Equal Opportunity

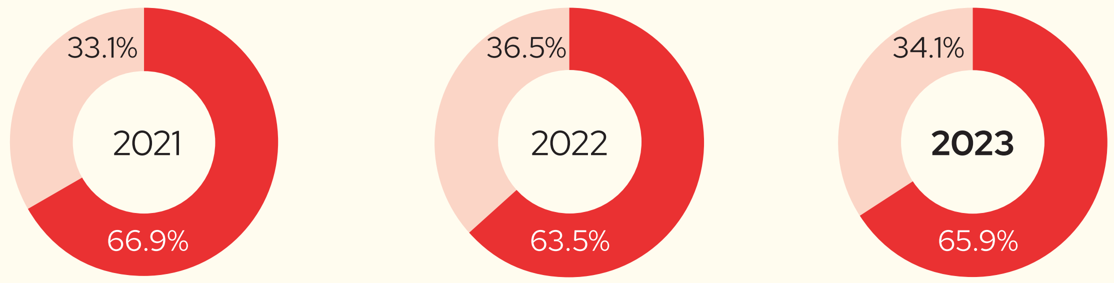
Employees in the Workforce



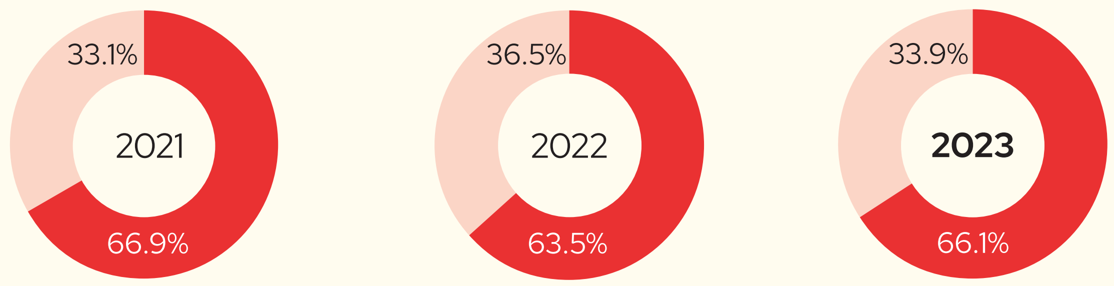
Employees in Executive-Level Positions



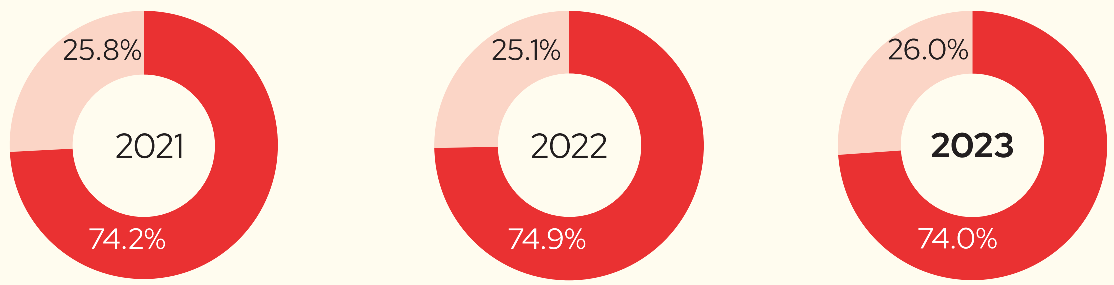
Employees in Managerial Roles



Employees in Supervisory Roles



Employees in Rank-and-File Positions



A Safe Place to Work

Ensuring the occupational health and safety of our employees is paramount to us as it directly impacts overall well-being and productivity. We adhere to stringent safety, health, and welfare standards established by the Department of Labor and Employment to guarantee safe and healthy working conditions for everyone who interacts with our establishments.

In addition to complying with regulatory requirements, we maintain comprehensive Security and Safety Manuals that undergo regular review to ensure their ongoing effectiveness and relevance. These manuals serve as vital resources for our teams, providing clear guidance on best practices and protocols to mitigate risks and respond effectively in emergency situations.

To further bolster our preparedness, we have established a Corporate Emergency Response Team (CERT) entrusted with leading crisis management initiatives across our conglomerate. The CERT oversees the periodic review of contingency plans and emergency preparedness procedures to uphold our commitment to effective responses and responsible crisis management.

By prioritizing occupational health and safety and maintaining robust emergency response mechanisms, we strive to create a secure and resilient environment for our employees, customers, and stakeholders alike.

Occupational Health and Safety				
Metric	Unit	2021	2022	**2023**
Safe Man-Hours	Hours	51,419,640	12,822,656	58,024,228
No. of work-related injuries	Count	0	4	8
No. of work-related fatalities	Count	0	0	0
No. of work-related ill-health	Count	0	0	1
No. of safety drills	Count	0	0	18

Robinsons Retail Academy

We believe in investing in our people, empowering them to reach their full potential and thrive in their roles. Through comprehensive training programs, personalized development plans, and continuous learning opportunities, we equip our employees with the skills and knowledge they need to excel.

Robinsons Retail Academy Curricula

NEO — **New Employee Orientation**
An employee orientation program for new RRHI employees

DLP — **Digital Learning Program**
A set of bi-weekly programs focusing on essential skills, knowledge and mindest: the courses focus on Personal Excellence, People Excellence and Operational Excellence.

REC — **Retail Excellence Curriculum**
A set of learning roadmaps per level for all regular employees focusing on building retail-based leadership and maangement competencies.

MDC — **Management Development Curriculum**
A set of learning roadmaps for key talents focusing on developing them for their current and future roles aligned to both functional and leadership management competencies

TP — **Thematic Programs**
A pool of capability building programs supporting the organization's goals and strategies (e.g. Supply Chain, Customer Experience)

Target Participants

I. Frontline Leaders
- Levels 1 - 3
- Operations: e.g. Cashier, Sales Clerk
- Support Group: e.g. Assistants

II. Supervisory Leaders
- Levels 4 - 5
- Operations: e.g. SSO, SSA, DH
- Support Group: e.g. Officers

III. First-Line Leaders
- Levels 6 - 7
- Operations: e.g. Store Managers
- Support Group: e.g. Managers

IV. Strategic Leaders
- Levels 8 - 9
- Operations: e.g. OMs, ROMs/GOMs
- Support Group: e.g. Senior Managers

RRHI Core Competencies

Supply Chain	Retail Operations	Customer Experience	Finance	Leadership

Personal Excellence (Leading Self)	People Excellence (Leading Teams)	Operational Excellence (Leading the Business)

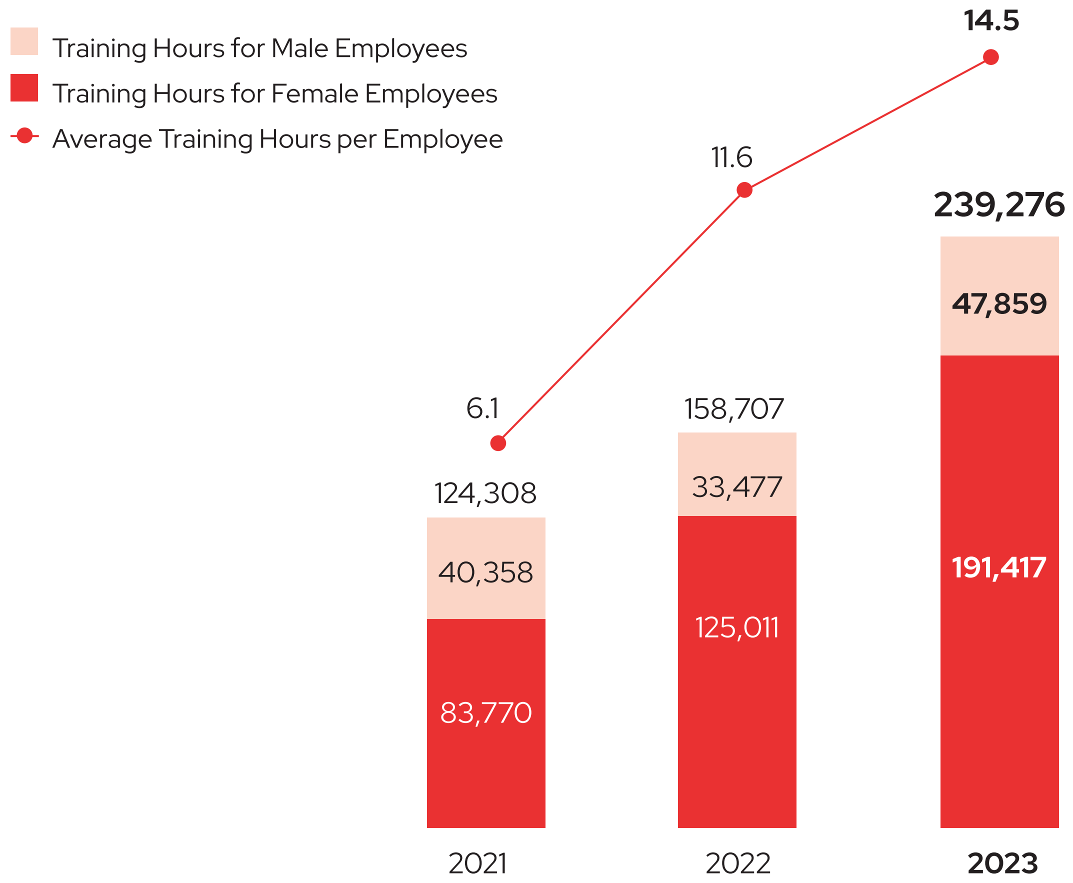
LEADERSHIP COMPETENCIES

RRHI VALUES

The Robinsons Retail Academy (RRA) is a flagship initiative crafted by our Learning & Organizational Development (L&OD) team to provide learning opportunities to its employees. RRA is a beacon of structured employee development, offering a comprehensive array of learning opportunities tailored to enhance skills, deepen knowledge, and cultivate expertise across the Company.

With a focus on aligning training initiatives with our business objectives, RRA serves as a centralized hub for all things learning. The RRA provides a unified platform streaming access to a diverse range of courses, workshops, and seminars.

Employee Training



Sustainability 101

As part of our New Employment Orientation program, new employees also receive a comprehensive overview of sustainability within the context of the Company's operations against the broader global landscape. Robinsons Retail's Sustainability Manager provides an overview of our sustainability initiatives, emphasizing our responsibility to minimize our environmental impact, support local communities, and promote ethical practices throughout our supply chain.

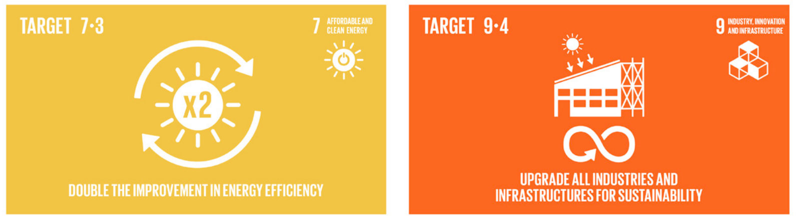
Through real-world examples and interactive discussions, employees uncover the tangible ways they can contribute to our sustainability efforts, both within and outside the workplace fostering a sense of stewardship from day one. We empower our new hires to become champions of sustainability within Robinsons Retail and beyond.

Nurturing Partnerships for Shared Value

Our suppliers and trade partners are integral to our creation of shared value as well as supporting the livelihood of various businesses and providing access to goods for our end-consumers. Currently, over 90% of our vendors are Philippine-based manufacturers and distributors, including those that source products abroad and serve as the official distributors of foreign brands.

To reinforce our commitment to nurturing better relationships with these essential partners, we continue to work towards improving forecasting demand to maintain just-in-time inventory deliveries to increase supply efficiency allowing us to reduce shrinkage or wastage. Through the cross-docking systems at our distribution centers, we are also able to speed up the delivery of products and reduce the unnecessary maintenance of stocks.

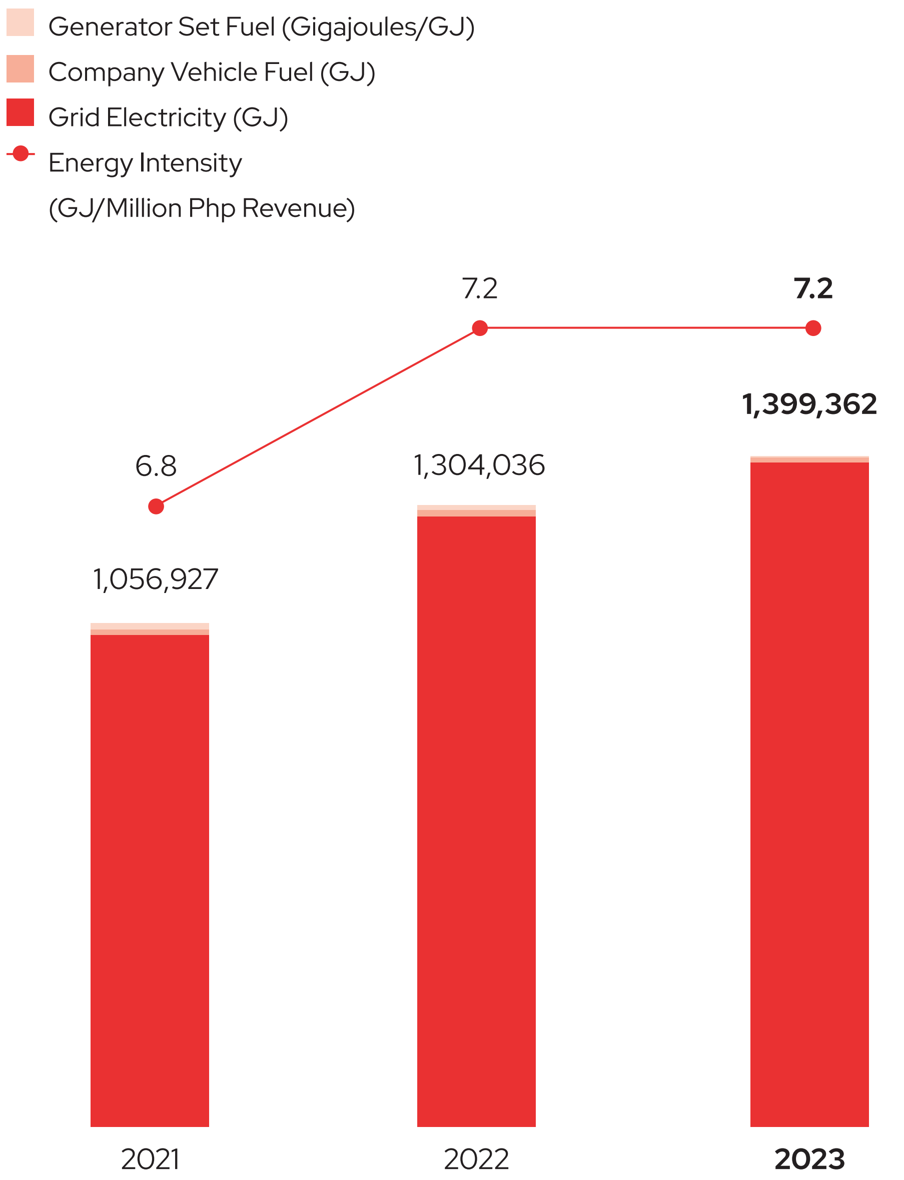
To thank our partners for a successful 2023, we held our annual Trade Partners Nights highlighting the vital contributions of our partners as we continue to create value, drive excellence, and deliver unparalleled service to the customers and communities we serve.



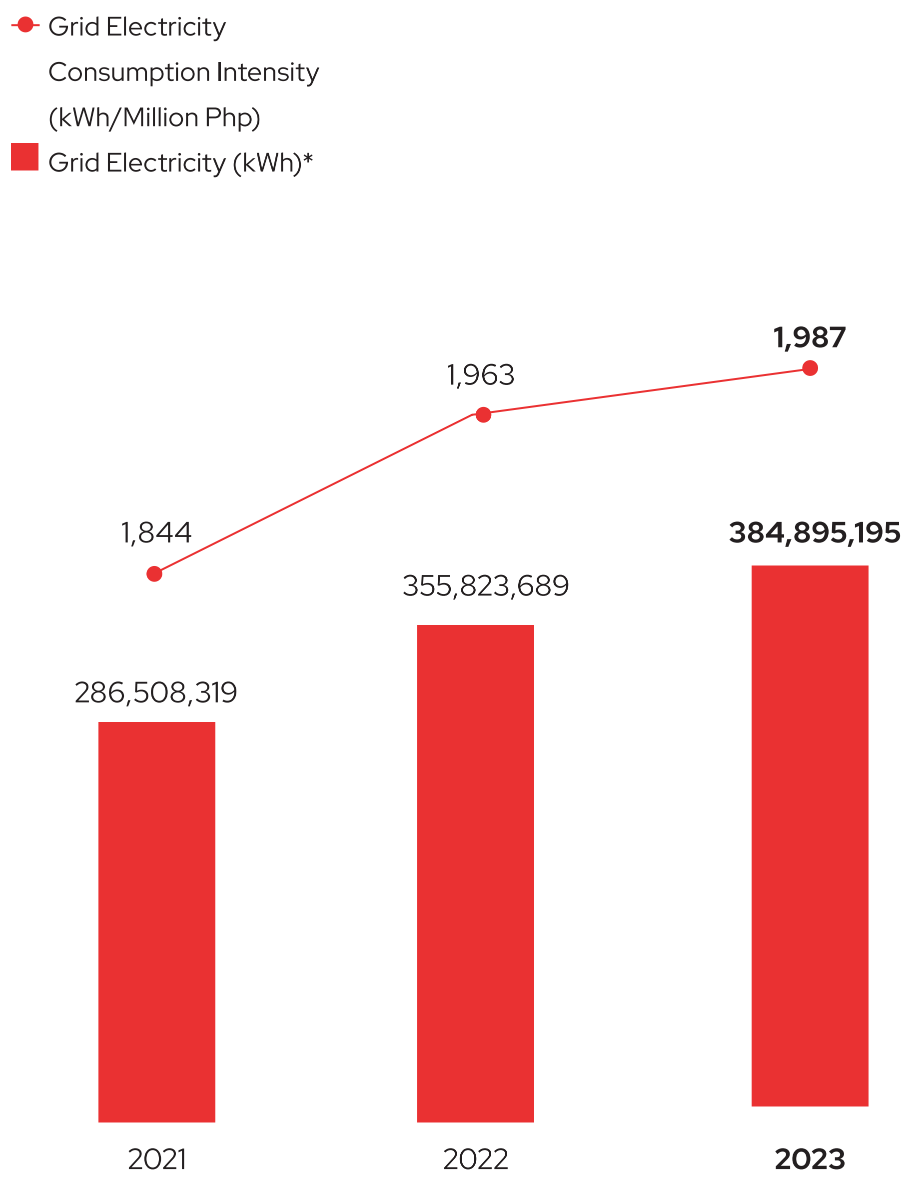
Energy Management and Climate Action

As our store and office operations rely heavily on electricity and fuel, we remain steadfast in our commitment to reducing our carbon footprint. We continue to convert our refrigeration and air-conditioning systems using lower-impact refrigerants and explore energy-efficient technologies. We will start to conduct more rigorous energy and emission reduction studies and explore renewable power purchase partnerships, prioritizing facilities with higher energy consumptions in order to eventually reduce our energy and emission intensity as we continuously expand our store network.

Non-renewable Energy Consumption

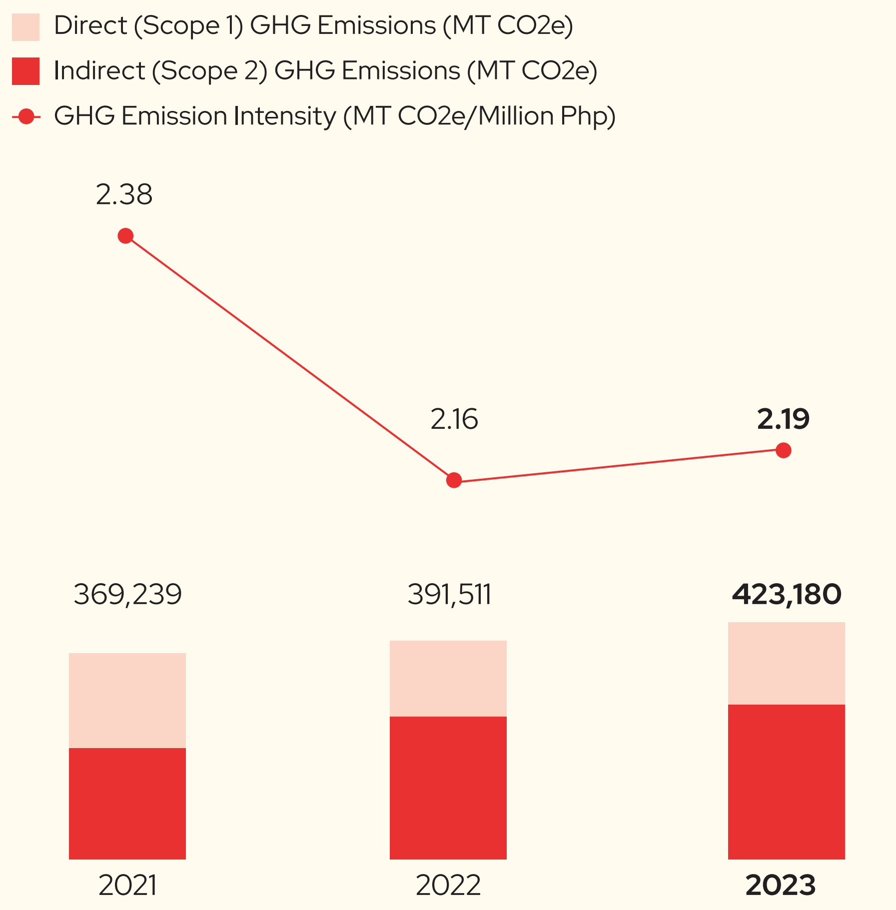


Grid Electricity Consumption



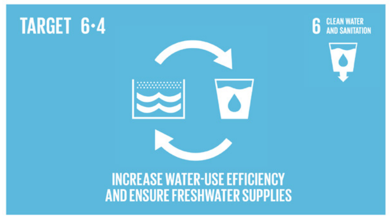
*Electricity consumption for 2021 does not include Uncle John's non-franchise stores

GHG Emissions (Scope 1 and 2)



2023 Other Indirect (Scope 3) GHG Emissions (in MT CO_2e)	
Purchased Goods and Services[1]	6,062
Waste Generated in Operations[2]	3,775
Business Travel[3]	79
End-of-life Treatment of Sold Products[4]	4,261
Franchisees[5]	4,115

[1]Based on renewable materials (paper bags) and non-renewable materials (plastic bags) consumption
[2]Based on solid waste generation
[3]Based on fuel consumption of rented vehicles
[4]Based on plastic footprint of sold house brands
[5]Based on electricity consumption of Uncle John's franchised stores

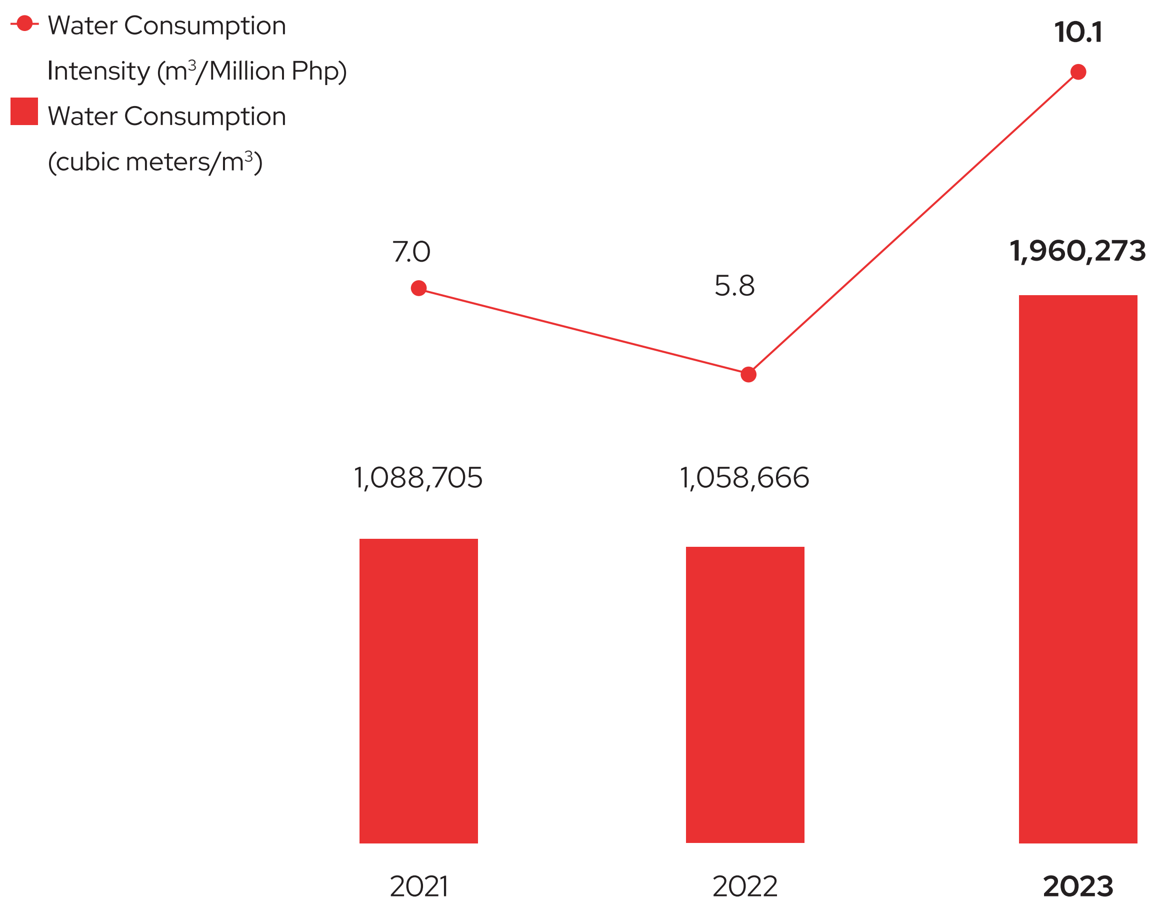


Water Management

While our operations may not demand extensive water usage compared to certain industries, we uphold a vigilant stance on monitoring our water consumption. Sourcing water from local-third party lines, we prioritize efficient and responsible usage practices across our offices and stores.

Our water use mainly stems from office and store lavatory facilities and routine maintenance and cleanliness protocols. To mitigate waste and conserve water, we implement regular monitoring of our plumbing and water systems. By proactively identifying and rectifying issues such as leakages, we minimize the risk of significant water loss and ensure sustainable management of this essential resource. The increase in 2023 water consumption is a result of the data gathering improvements from our stores and warehouses.

Water Consumption



Climate Resilience Project

Our Journey towards Climate Action

2019 - 2020
- Publication of yearly Sustainability Reports

2021
- ERM Integration of sustainability risks
- Establishment of Corporate Governance and Sustainability Committee from originally Corporate Governance Committee

2022
- Recalibration of Sustainability Framework
- 1st ESG External Assurance, with reporting recommendations for energy and climate disclosures

2023
- Climate Resilience Project with pilot climate vulnerability assessment in business-critical facility of Supermarket Segment
- Initial Mapping of Other Indirect Greenhouse Gas (GHG) Emissions (Scope 3)

As a business, we continue to do our part for climate action. This journey began in 2019 with the publishing of our inaugural stand-alone Sustainability Report.

In 2021, we embedded sustainability and climate risk considerations into our ERM framework. We also embedded Sustainability into our Corporate Governance committee as we intend to drive more sustainability and climate agenda in board-level discussions. Aspiring to set our climate and sustainability targets in the coming years, we recognized the importance of a credible baseline data for target setting. Thus, we engaged an independent consultant for our first ESG external assurance covering 2022 disclosures, whereby reporting improvements were recommended for energy and climate disclosures. We also recalibrated our sustainability framework, simplifying them to cover 4 focus areas reflecting the material topics that our retail business must tackle at scale.

Continuing our momentum, we initiated our climate resilience journey as we aim to solidify our climate mitigation and adaptation targets and roadmap. This involved assessing our exposure to physical climate hazards and conducting vulnerability assessment of selected business-critical pilot facility to develop tailored adaptation strategies. These proactive steps position us to adhere to anticipated updates to sustainability reporting guidelines, such as the SEC SR Guidelines and the launch of the

IFRS Sustainability Disclosure Standards. We also started to initially map out and partially disclose our other indirect GHG emissions across our value chain (Scope 3 GHG emissions) as we commit to involve our stakeholders across our value chain to participate in climate action. These milestones lay the groundwork for a strategic shift towards a more sustainable and climate-resilient future, setting the tone for years to come.

Our Approach and Strategy in Climate Resilience

Situated in an archipelagic region prone to tropical cyclones, our businesses face such inherent climate hazards. Intense tropical cyclones, flooding, and rising temperatures could adversely impact our assets, operations, and workforce. As a foundational step in our climate strategy, we have identified and assessed climate-related physical risks and opportunities at a facility-level, alongside their operational and business impacts. We have evaluated our climate resilience in coping with the various climate scenarios. This process allowed us to gauge the inherent resilience of our assets and develop tailored risk mitigation strategies to enhance operational efficiency and business continuity. This targeted analysis represents the first phase of a broader strategy that we plan to be replicated across our portfolio of critical operational assets. We are integrating this climate resilience assessment into our business processes, utilizing them to refine strategic planning, and strengthen our Enterprise Risk Management and Business Continuity Planning. This ensures our approach to managing climate risks is robust and actionable at the operating unit level.

Climate Hazard Identification

Climate-related physical hazards common in geographies where our facilities are located:
- Tropical cyclones
- Flooding
- Extreme heat
- Sea level rise

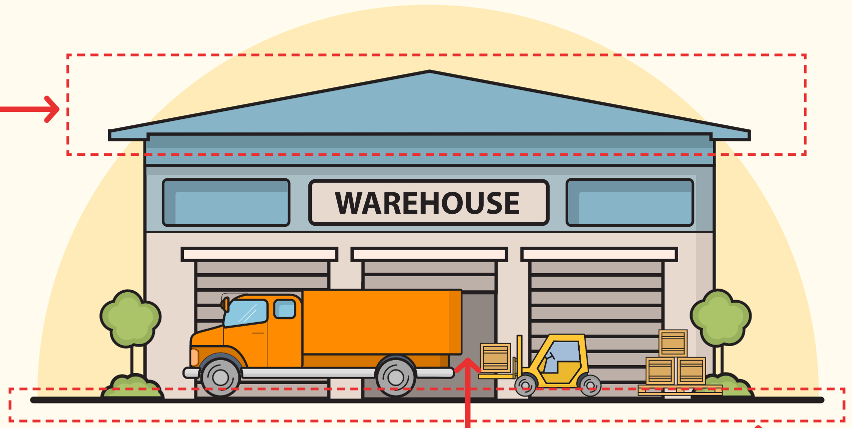
Determination of Climate Exposure

Determining climate exposure levels for each asset:
- 4 Head Offices
- 51 Robinsons malls where our stores are located
- 28 Distribution Centers

Selection of Pilot Facility

Force-rank and select the pilot facility for detailed vulnerability assessment according to:
- Business Criticallity
- Medium to high climate level exposure
- Resource buy-in alignment

Vulnerability Assesment



Tropical Cyclone Wind Modelling and Structural Analysis: Modelling of tropical cyclone intensity against the facility's wind design threshold. The structure's stress, strain, and deformation are quantitatively analyzed under modeled wind load conditions, identifying vulnerable areas and potential damage.

Increasing Temperature and Energy Modelling: Modelling of rising temperature projections and its corresponding impact on the facility's energy consumption to maintain optimal coding requirements.

Flood Modelling Assessment: Modelling of flood intensity and its impact to the facility

Strategic Planning

- Integration into Business Process
- Enterprise Risk Management
- Business Continuity Planning

Overview of Our Climate Resilience Assessment Process

a. Climate Scenarios

Understanding climate information is crucial for assessing the impact of both physical and transition risks across various future scenarios and making informed decisions for adaptation and mitigation strategies. This is critical as it allows us to assess potential future impacts of both physical hazards and the transition to a low-carbon economy. By considering various climate futures, we can make informed decisions on adaptation strategies to strengthen our operations and mitigation efforts to reduce our environmental footprint, ensuring long-term business resilience.

IPCC's Representative Concentration Pathways (RCP) 8.5 and 4.5 was selected for our analysis. RCP 8.5 represents a high emission scenario, indicating a future where greenhouse gas emissions continue to rise rapidly leading results in greater impacts from physical hazards such as higher global temperature increase, intense extreme weather events and faster sea-level rise as a consequence of inaction on climate change. Conversely, RCP 4.5 represents a scenario where emissions peak around mid-century before declining. By considering both pathways, we encompass a broad spectrum of potential future emissions trajectories for climate-related physical risks.

Our definitions of short-term (1-5 years), medium-term (6-15 years), and long-term (16 years and beyond) closely mirror the general timeframes used in our strategic decision-making. The 2030-2060 timeframe, which falls under medium-term to long-term, was chosen to match the projected timelines of climate models and the operational lifespan of assets, ensuring the assessments remain relevant. Additionally, in 2025, we plan to evaluate the impacts of the low-carbon transition and climate-related transition risks and opportunities on our business under the RCP 2.6 scenario.

b. Climate Models and Tools

Our physical climate-risk modeling incorporates the current advancements in climate science from peer-reviewed scientific studies and is subject to refinement as our understanding of climate science evolves. For temperature projections, we rely on the high-resolution data from the Coordinated Regional Climate Downscaling Experiment for Southeast Asia (CORDEX-SEA), ensuring detailed spatial and temporal analysis. The assessment of future tropical cyclone frequency and intensity utilizes data from the IPCC's Coupled Model Intercomparison Project Phase 6 (CMIP6), which incorporates atmospheric, oceanic, land surface, and sea parameters. Additionally, our flood modeling is conducted using hydrological analysis with Hydrologic Engineering Center – Hydrologic Modelling System (HEC-HMS) to generate hydrographs and flood maps, incorporating projected rainfall data from PAG-ASA's Climate Information and Risk Analysis Matrix (CLIRAM), ensuring our models are both current and with high spatial and temporal resolution to capture the specific climatic feature of the region.

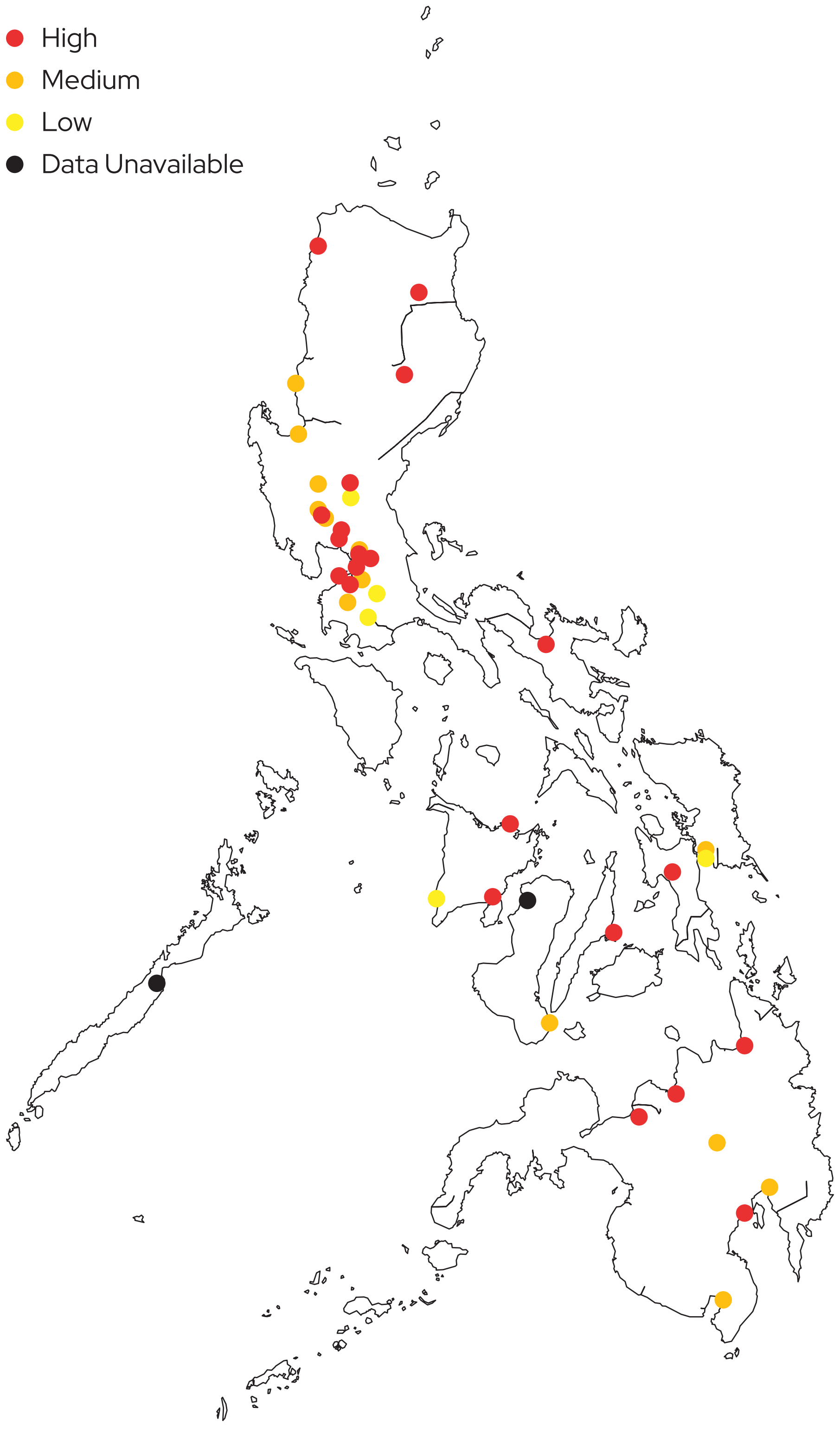
c. Mapping and assessment of climate hazard exposure levels across our facilities

As first step in ensuring long-term resilience of our operations, we conducted a comprehensive climate hazard exposure assessment across 83 facilities, comprising of 4 head offices, 28 distribution centers, and 51 Robinsons malls where a significant number of our stores are located. This assessment focused on four key climate hazards: flooding, sea level rise, extreme heat, and tropical cyclones. We leveraged geospatial mapping to pinpoint the location of each facility in relation to potential climate hazards which allowed us to assess the corresponding level of climate exposure for each facility. This crucial first step has enabled us to prioritize facilities that require a deeper vulnerability analysis.

Key findings reveal that 48% of facilities are at high flood hazard levels, 19% in low-lying coastal areas may face sea level rise impacts, 8% are exposed to high heat hazards, and 8% to high tropical cyclone risks, highlighting distinct vulnerability profiles across locations.

Flooding Hazard Heatmap

- High
- Medium
- Low
- Data Unavailable



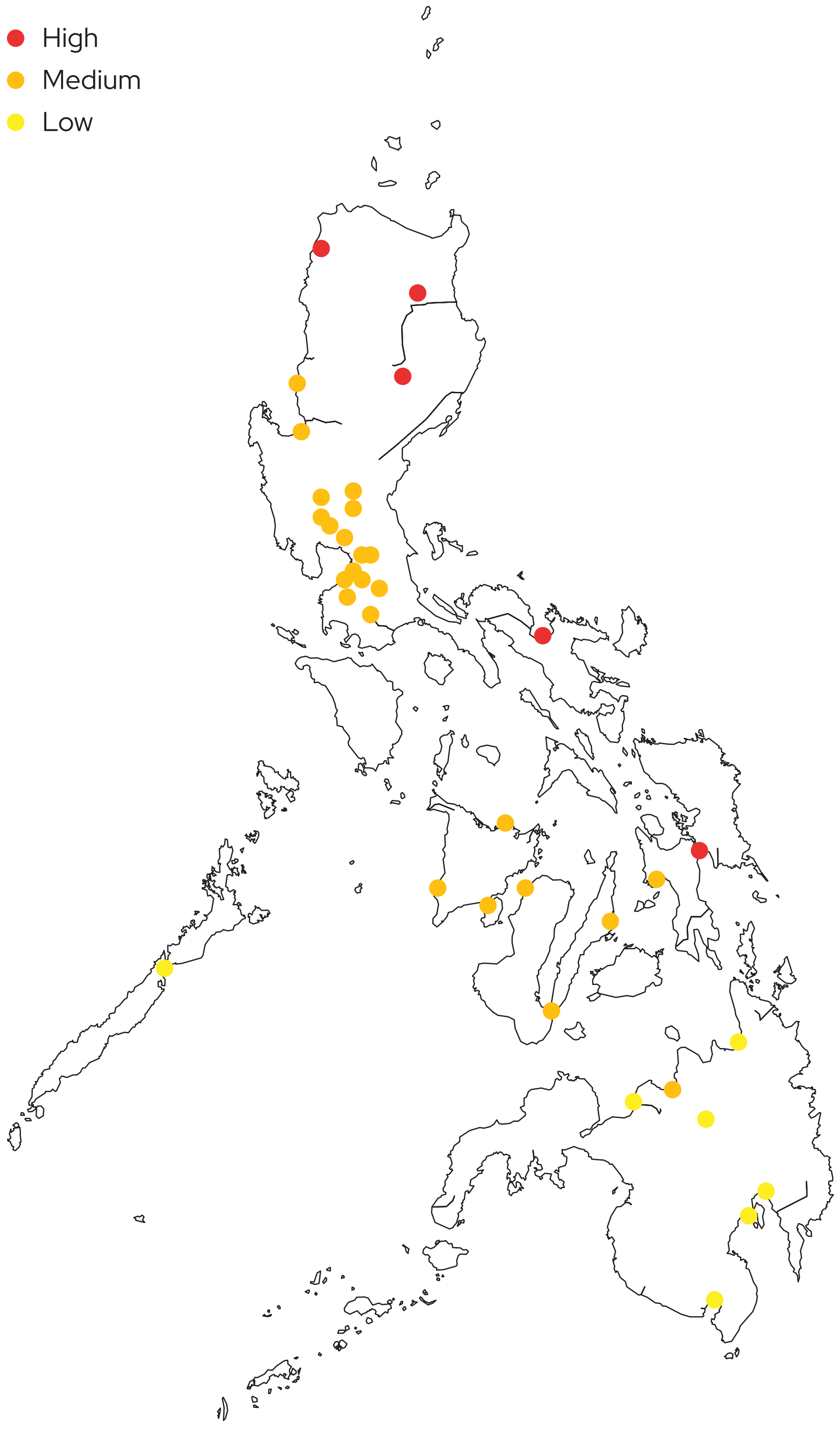
High	Medium	Low
>1.2m flood depth	0.4 - 1.2m flood depth	<0.4m flood depth

Flooding
48% of facilities are exposed to a **high flood hazard level**.
The primary reason appears to be the dense urban locations of these facilities, where natural water drainage may be hindered by concrete and other infrastructure.

Hazard Level	Facility Count
High	40 (48%)
Medium	34 (41%)
Low	7 (8%)
Unavailable Data	2 (2%)

Tropical Cyclone Hazard Heatmap

- High
- Medium
- Low



High	Medium	Low
0.5 - 1.0	0.1 - 0.5	0 - 0.1

Tropical Cyclones
8% of facilities are exposed to a **high tropical cyclone hazard level**, mostly located in northern Luzon and eastern regions, while 80% are at medium level exposure. Facilities in Mindanao exhibit low exposure to tropical cyclones. Eastern regions are hardest hit since cyclones tend to weaken after landfall due to friction with terrain.

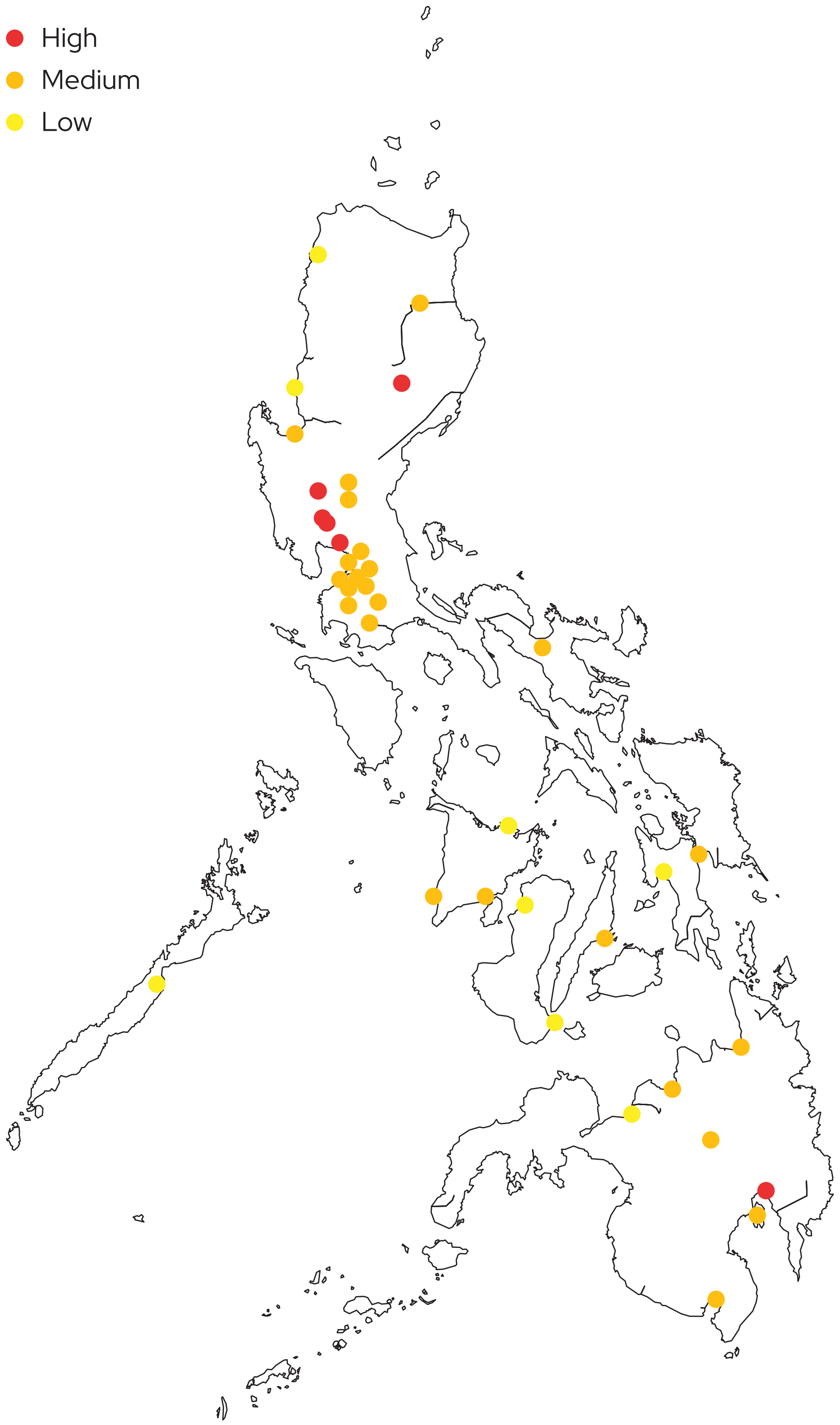
Hazard Level	Facility Count
High	7 (8%)
Medium	66 (80%)
Low	10 (12%)

The scores are normalized where the minimum value is 0 and maximum value is 1.

a. **Direct Strike:**
   Ty - 15%
   STy Count - 20%
   Maximum Wind (km/h) - 20%
   Average Wind (km/h) - 15%
b. **Indirect Strike:**
   Ty - 10%
   STy - 10%
c. **200km buffer:**
   Ty - 5%
   STy - 5%

**Ty - Typhoon Count*
STy - Super Typhoon Count

Heat Hazard Heatmap



Heat

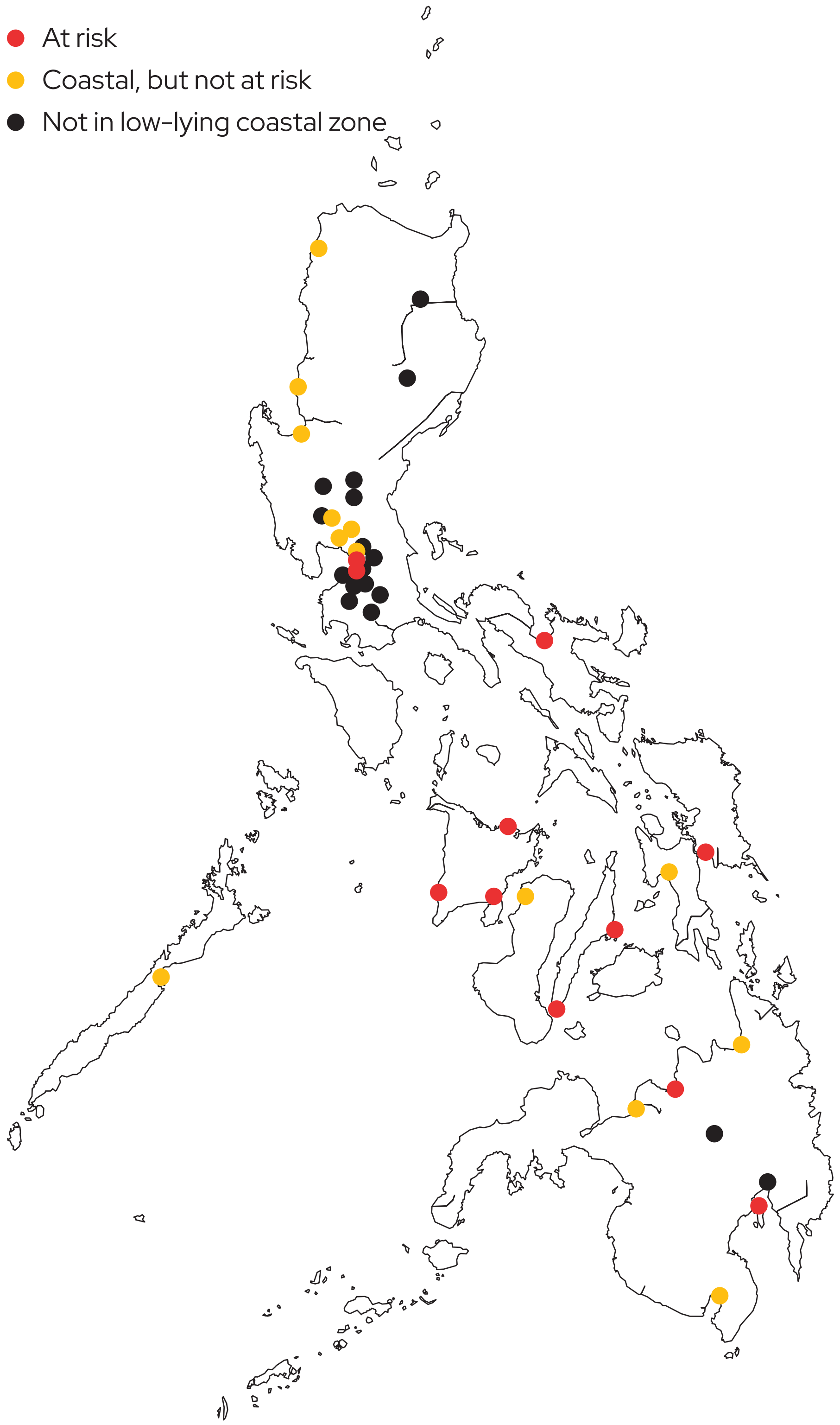
8% of facilities are exposed to a **high heat hazard level**. These facilities are primarily located in the Central Luzon plains and Cagayan valley, with a few locations in coastal Mindanao. Primary regions of high heat hazard exposure appear to be characterized by low elevation and a flat landscape sandwiched by mountainous areas.

Hazard Level	Facility Count
High	7 (8%)
Medium	61 (73%)
Low	15 (18%)

Hazard category is assigned based on average number of days in a year above 35 degrees Celsius.

High	Medium	Low
Majority of summer days (>46 days)	Greater than 0.1 quantile but less than majority of summer days (>9.2 days, <=46 days)	Less than or equal to 0.1 quantile (<=9.2 days)

Sea Level Rise Hazard Heatmap



Sea Level Rise

19% of facilities are at risk in **low-lying coastal zones** with elevations **under** 10m. Even if higher-elevated facilities remain dry, they could still face secondary issues due to surrounding infrastructure being affected.

Hazard Level	Facility Count
At risk	16 (19%)
Coastal, but not at risk	23 (28%)
Not in low-lying coastal zone	44 (53%)

At Risk	Coastal, but not at risk	Not in low-lying coastal zone
With sea level rise value of >0m by 2050 but the facility is located at an elevation of 0m or less	With sea level rise value of >0m by 2050 but the facility is located at an elevation of 1 - 10m	Facility is located at an elevation of >10m

d. Climate vulnerability of the pilot facility

To optimize our climate risk adaptation strategies and resources, we selected a pilot facility for a detailed vulnerability assessment. The selection of the pilot facility prioritized the facility with medium to high climate hazard exposure, critical importance to our business, and resource buy-in from the business unit head and facilities managers.

The chosen pilot facility, which is the Sucat Mega Distribution Center of the Supermarket segment, underwent an in-depth vulnerability assessment, employing a range of advanced methodologies. These included:

- Tropical Cyclone Wind Modeling & Structural Analysis: We modeled the potential intensity of tropical cyclones against each facility's wind design threshold. This detailed analysis identified vulnerable areas and helped us quantify potential damage risks.
- Increasing Temperature & Energy Modeling: Rising temperatures were simulated to forecast the impact on energy consumption within each facility, helping us optimize cooling systems and energy management.
- Flood Modeling Assessment: We projected precipitation changes and used hydrological and hydraulic modeling to understand their potential impact on facilities, allowing us to plan flood mitigation measures.

This assessment provides actionable insights for enhancing our climate resilience. We now have a robust understanding of the specific vulnerability of the pilot facility and allows us to tailor risk mitigation strategies, make targeted investments in structural upgrades, and develop contingency plans. Our commitment to this data-driven approach ensures that we protect our assets and ensure business continuity amidst increasing effects of climate change. The results of this detailed assessment will be duplicated in the coming years for other business-critical and highly vulnerable facilities to climate hazards.

The table below provides an overview of the key climate risks identified for each facility, along with their potential financial implications.

Material Climate-related Physical Risks of Sucat Mega DC

Physical Risk	Climate Hazard	Time Horizon*	Description	Potential Financial Implications	Adaptation Measures
Acute	Tropical Cyclones	Medium to long term	• The total count of tropical cyclones that is expected to make a direct hit (within 50 km of the facility) is projected to increase by ~30% for both RCP 4.5 and RCP 8.5. • The intensity of the typhoon is projected to increase by 7% for both RCP 4.5 and RCP 8.5, reaching as high as a 260 kph wind speed. • Peak hit months (tropical cyclone landfall) is projected to shift from October to September	• Increased costs related to the maintenance, repair, or replacement of damaged facility's infrastructure, operational equipment, and products. • Decreased revenue attributed to disruptions in operations, maintenance activities and product transportation and supply chain logistics, resulting from potential delays in delivery.	• Continue strengthening the business continuity plan and disaster management plan by integrating climate risks and meteorological forecasts into emergency protocols. This should involve routine maintenance checks on warehouse roofing, members and structures, considering various tropical cyclone scenarios. • Keep all personnel informed by regularly updating them on the anticipated typhoons and emergency response plan • Regularly inspect and maintain the property to identify and address vulnerabilities • Utilize accurate weather information and forecasting systems to provide timely alerts in preparation for approaching tropical cyclones • Anticipate the shift in the peak hit month and optimize supply chain management by planning activities and inventory orders in earlier months, including the early delivery and procurement of necessary resources, to mitigate potential disruptions • A combined approach is recommended with targeted retrofitting and regular maintenance of roofing and truss systems to mitigate risks and maintain comprehensive 'all risk' insurance coverage to address any residual damages
Acute	Flooding	Medium to long term	• Projected flooding is around 0 to 0.5 meters during both a 25 year and 100 year storm return period. This is likely to occur when daily precipitation reaches approximately ~105 to ~130 millimeters.	• Potential revenue losses associated with interrupted logistics, operational slowdowns, and delayed product shipment and distribution caused by flooding on the access roads to and from the facility. • Potential cost expenses due to damaged or contaminated inventory caused by floodwater intrusion into the facility.	• Conduct engineering assessment of the capacity of the shared drainage facility of Sucat DC and new nearby facility • Revisit the performance and capability of flood defense mechanisms (i e flood drainage) of Sucat DC, to ensure they are clean from debris and assess if additional sump pumps are needed for procurement to prevent flooding buildup • Ensure that stored products, inventory, shelving units, and storage racks are elevated to prevent damage • Proactively communicate with local DRRM office regarding the condition of nearby water body and weather forecasts to enhance climate resilience • Explore alternative transportation routes and consider utilizing other distribution centers when there is a potential risk of flooding at Sucat DC • Embed climate risk considerations into broader risk management and business continuity strategies to ensure sustainability of the practice and inform the long term planning of RRHI.
Chronic	Extreme Temperatures and Heat Stress	Long term	• Average of 16.7 days per year with temperatures above 35°C, accounting for 4.6% of all days • Average daily maximum temperature is 30.07°C with a 1.1°C change from the 2010s to the 2050s	• Increased operational costs due to the need for enhanced ventilation and cooling systems, leading to higher electricity consumption. • Potential financial losses due to the degradation of heat sensitive inventory and products brought on by extreme heat	• Ensure the regular maintenance of the fans and air cooler system to minimize equipment fouling and potential inefficiencies • Continue utilizing the natural lighting and ventilation to enhance energy efficiency and regularly clean the clear roof that provides natural lighting in Sucat DC • Set-up a functioning Energy Management Committee to analyze organizational strengths and weaknesses in the Energy Management System, implement energy management targets and plans, and monitor energy management practices • Explore the integration of energy efficient technologies to counter increase in ambient temperature

Short term: 1-5 years (2025-2029), Medium term: 6-15 years (2030-2044), Long term: 16 years and beyond (2045 onwards)

We recognize the importance of transitioning to a lower-carbon economy. The focus of RRHI's climate related opportunities lies predominantly in addressing physical risks, with a specific emphasis on energy source.

Opportunity Type	Climate-related Opportunities	Time Horizon*	Potential Financial Impact
Energy Source	We recognize the importance of transitioning to a lower-carbon economy. The focus of RRHI's climate related opportunities lies predominantly in addressing physical risks, with a specific emphasis on energy source.	Short term to Medium term	• Reduced operating costs. • Reduced vulnerability to fluctuations in electricity price as the facility perform efficiently and more environmentally friendly. • Enhanced organizational reputation and strengthened competitive advantage through energy cost savings and alignment with customer preferences
Resilience	Consider investing in facility improvements by retrofitting roofing structures with additional braces and reinforcements to enhance stability, implement green design practices, and procure sump pumps.	Short term to Medium term	• Enhanced organizational reputation, potentially leading to increased revenue and investment growth through sustainable practices.

**Short term: 1-5 years (2025-2029), Medium term: 6-15 years (2030-2044), Long term: 16 years and beyond (2045 onwards)*

Climate Action and Resilience Strategic Roadmap

Recognizing the dynamic nature of climate science, we commit to regularly evaluate the robustness of our climate strategy. This ensures our operational practices and investments align with sustainability and climate resilience goals. Within 2025 to 2030, we plan to release our low-carbon transition roadmap that includes the result of transition risks assessment. This proactive approach will help us mitigate risks while also identifying new prospects within the growing climate-resilient marketplace. Through proactive risk management and strategic foresight, we strive to ensure the long-term resilience and sustainability of our operations and the broader value chain.

Phase 1 (2023)

- Climate Resilience Assessment (CRA) capability building
- Climate exposure assessment
- Climate vulnerability assessment of pilot facility

Phase 2 (2024)

- CRA scope expansion and start replication of vulnerability assessment in other business-critical facilities
- Climate-related risk and opportunity study

Phase 3 (2025-2030)

- Study and release of flow-carbon transition roadmap

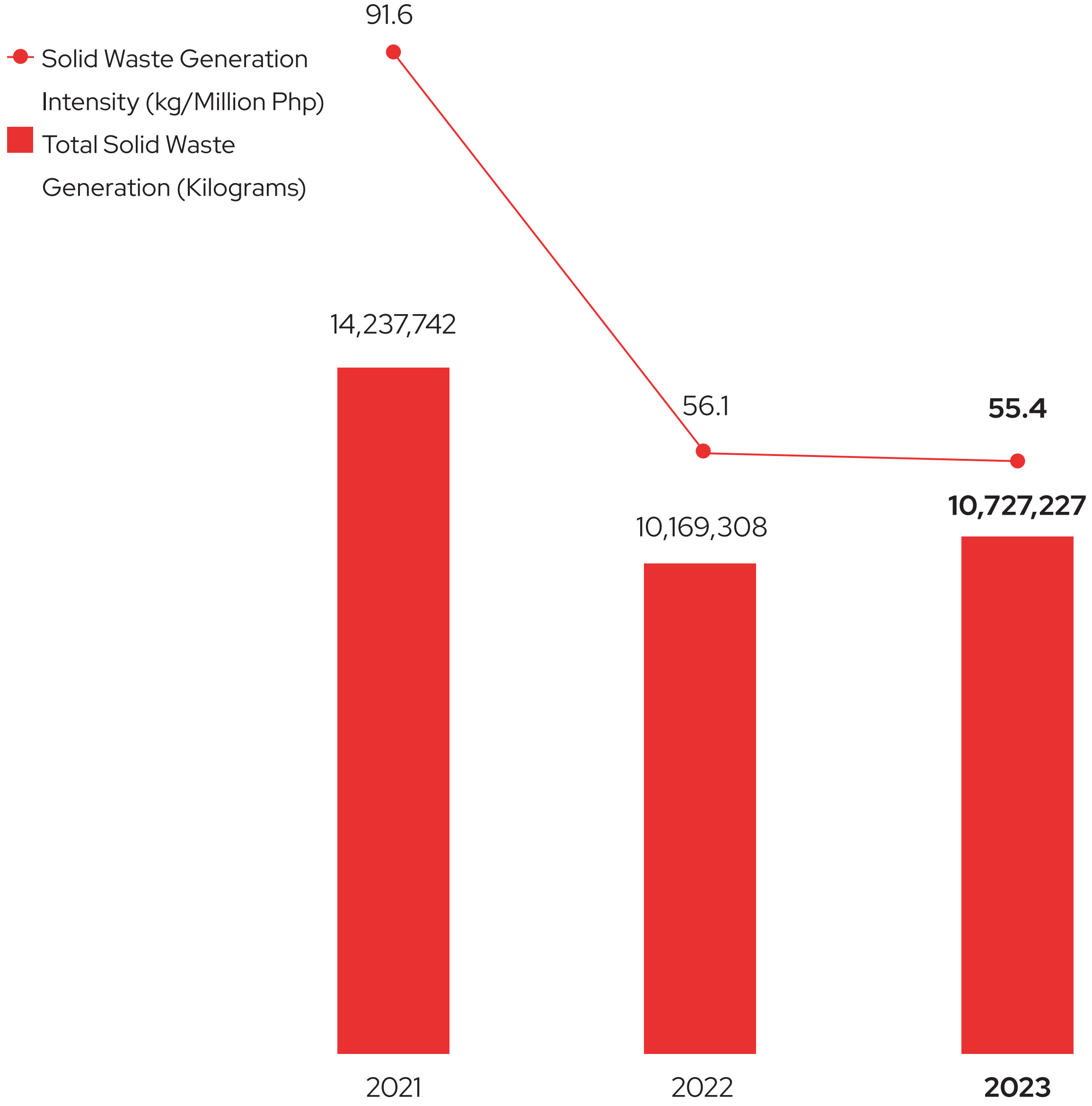
The timeline focuses on assessing climate risks, integrating climate resilience into business practices, and developing a low-carbon transition roadmap.

Solid Waste Management

We continue to implement effective waste management through segregation measures. We aim to streamline our processes by implementing standardized practices across all banners, ensuring consistency and efficiency in handling solid waste.

To bolster our efforts, we are dedicated to systematizing the collection and analysis of solid waste generation data. By establishing a comprehensive data-gathering system, we gain valuable insights that will inform our waste recycling and diversion targets. This strategic approach empowers us to optimize our waste management practices and minimize environmental impact.

Total Solid Waste Generation



Non-hazardous Waste Generation (in Kg)			
Category	2021	2022	**2023**
Compostable	7,902,928	5,317,623	**4,773,904**
Recyclable	5,882,013	4,252,468	**4,526,336**
Residual	452,801	599,217	**833,290**

2023 Hazardous Waste Generation (in Kg)	
Used/Waste Oil	593,696
Containers previously containing toxic chemical substances	11,084
Used batteries (genset battery, AA and AAA batteries, emergency lights battery, computer battery, UPS battery	574,368
Busted flourescent, LED, Bulbs lamps	2,321.00
Electronic Waste (e-waste)	5,424

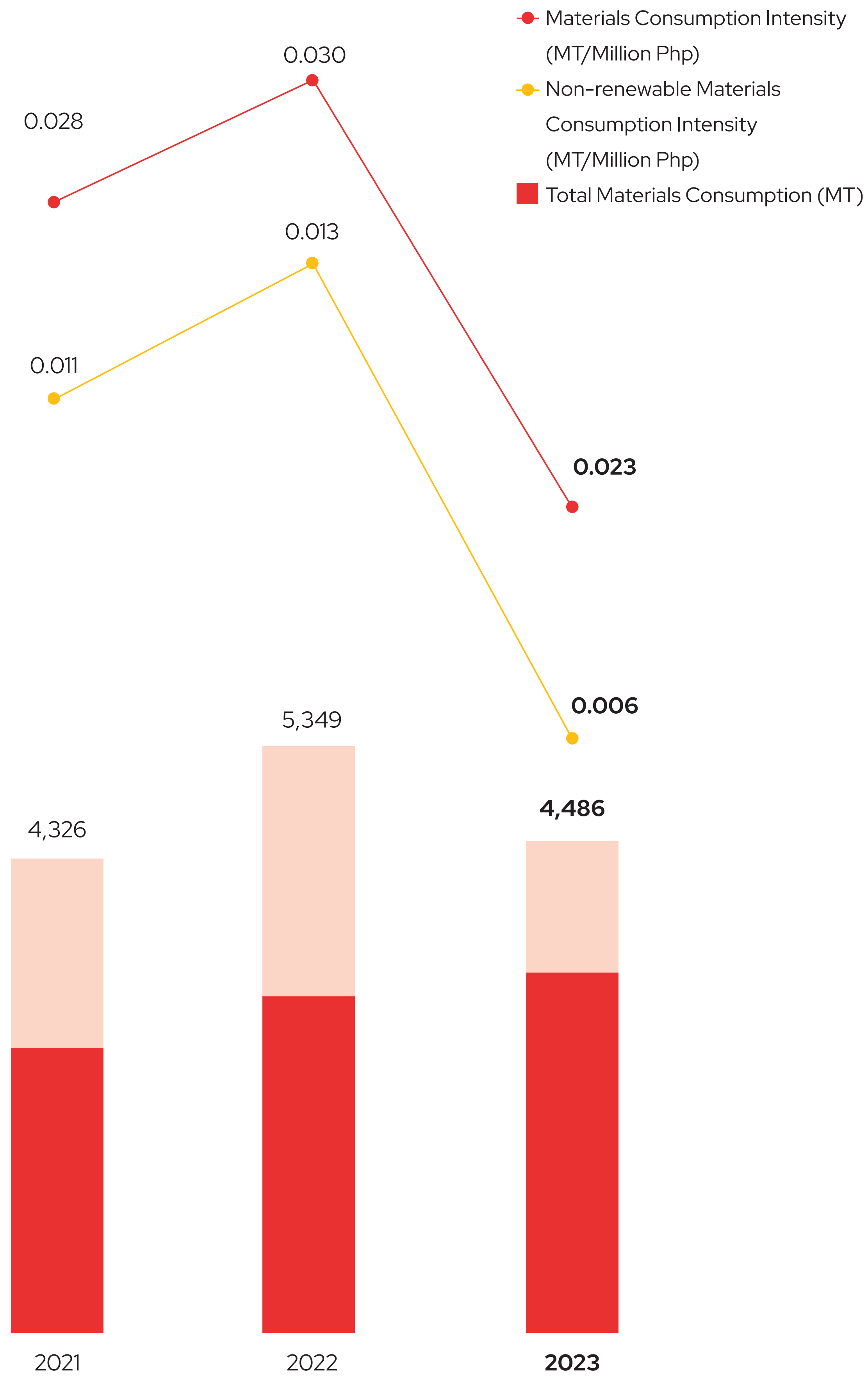
Materials Consumption

We are dedicated to responsible usage of plastic for consumer packaging across our operations. Our strategy involves continuous monitoring of plastic consumption, enabling us to track usage patterns and identify areas for improvement. By implementing proactive measures, we strive to steadily reduce our resilience to plastic materials while ensuring the sustainability of our packaging practices.

In 2023, we achieved a 51% decrease in non-renewable materials consumption intensity. This reduction reflects our dedication to minimizing our environmental footprint and transitioning towards more sustainable practices.

We have identified opportunities to optimize resource utilization across our operations. By implementing innovative solutions and embracing alternative materials, we have been able to streamline our processes while simultaneously reducing our reliance on non-renewable resources.

Materials Consumption



Supermarket

The Supermarket Segment is our largest business segment composed of 349 stores throughout the country across five well-loved banners serving a broad customer base with a wide array of inclusive product options, whether local favorites or international bestsellers.

The Supermarket segment proactively responds to evolving customer needs and trends while advocating for better choices that foster growth and generate shared value for customers and other stakeholders.

Store Count

- 151 Robinsons Supermarket
- 125 Robinsons Easymart
- 38 The Marketplace
- 16 Shopwise International Grocery Shopping
- 19 No Brand 브랜드가 아니다. 소비자다

Robinsons Supermarket

Robinsons Supermarket is the Philippines' first mainstream supermarket anchored on health and wellness.

Robinsons Supermarket believes in empowering customers to make healthy choices. Located at accessible locations, our stores feature a wide variety of quality food and product options at affordable price points with proper product labeling in partnership with the national Food and Nutrition Research Institute.

Beyond advocating for wellness, Robinsons Supermarket also believes in creating shared growth and prioritizes locally sourced produce from smallholder farmers throughout the country.

SHOPWISE

INTERNATIONAL GROCERY SHOPPING

Shopwise is our hypermarket format featuring a broad assortment of products from groceries to general merchandise and lifestyle essentials from brands all over the world.

Enabling customers to experience international grocery shopping without the membership fee, Shopwise offers great finds and great deals on supersized and bundled offerings for the international grocery shopper.

Robinsons Easymart

Bringing quality products closer to home, Robinsons Easymart is a standalone mini-mart store for everyday needs located right within neighborhoods.

Smaller than a typical supermarket, Robinsons Easymart offers both quality and affordable fresh food and other household essentials as well as bills payment and mobile top-up services with ease and convenience.

THE MARKETPLACE

Located in central business districts and high-end developments, The Marketplace is our premium grocery format.

The Marketplace features a wide range of internationally sourced and carefully curated options that cater to an upscale market, giving connoisseurs and dilettantes alike a taste of the world through imported and gourmet selections.

No Brand

브랜드가 아니다. 소비자다

No Brand is our specialty grocery format that provides customers with Korean food and lifestyle options that focus on quality and not branding.

South Korea's largest multi-format retailer, E-Mart Inc., launched No Brand in 2015. In 2019, the first No Brand store outside of Korea was opened in the Philippines in partnership with Robinsons Retail.

No Brand's private label products, which include authentic Korean food and snacks, beauty products, and cleaning materials, have become crowd favorites due to its affordable price point and excellent quality.

In Php millions	FY 2022	FY 2023	YoY Growth
Net sales	101,120	108,594	7.4%
SSSG	7.3%	3.2%	
Gross Profit	21,953	23,512	7.1%
EBITDA	8,519	9,397	10.3%

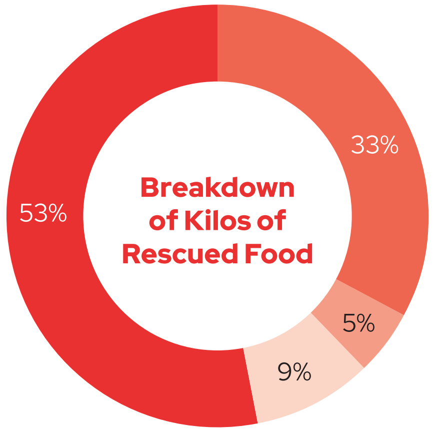
The Supermarket segment, constituting 56.5% of the business, saw a 7.4% increase in net sales, which reached Php108.6 billion. Growth was driven by contributions from new stores and resilient SSSG of 3.2%, which benefited from double-digit growth in transaction count.

The rise in gross profit of 7.1% to Ph23.5 billion was attributed to higher indent and private label penetration, assortment shifts, and increased vendor support. Meanwhile, EBITDA surged by 10.3%, outpacing revenue growth, bolstered by strong topline growth and efficient cost management.

Food Waste No More

Our Supermarket Segment struck a partnership with Scholars of Sustenance Philippines (SOS Ph), a non-profit organization that rescues surplus food every day of the week and distributes it to different vulnerable communities. We have recovered almost 23,000 kilos of near-expiry but good-quality, edible food from our stores and surplus food donations from our company events as of the end of 2023, which have been converted to more than 95,000 meals served to 20 partner communities of SOS.

We will be working to expand the campaign and turn more of our stores into food rescue collection hubs in 2024. We will be working with another food rescue partner as we expand this initiative to the Visayas in the second quarter of 2024, and we will also be piloting the initiative at one of our distribution centers. All throughout, we continue to review data generated by this campaign as we determine our target percentage recovery of surplus food items as part of our enterprise-wide ESG targets.



- Robinsons Supermarket Stores
- Shopwise Stores
- No Brand Stores
- Events-based Collection

Juan Goal for Plastic

Our Supermarket Segment continues to spearhead our plastic neutrality campaign. Since 2017, "Easy on the Plastic", a plastic recovery and diversion campaign that turns plastic into ecobricks and other usable items, has helped build a community center for the Yangil Tribe in Zambales as well as school chairs. With the program originating from Robinsons Easymart, stores have been accepting clean and dry plastic bottles from customers, fostering circular economy to help keep waste away from nature and mitigate environmental degradation.

Robinsons Retail also fully supports the Gokongwei Group's flagship Juan Goal for Plastic campaign, which aims to turn plastics into recycled chairs for schools, alternative fuel for cement kilns, and other uses. One of the activities this year was conducted together with Universal Robina Corporation and Robinsons Land Corporation in partnership with Xavier School's San Juan and Nuvali campuses. For every five plastic bottles donated, Robinsons Supermarket gave away one free eco-bag. Robinsons Easymart also collaborated with the Gokongwei Brothers Foundation and four public schools, collecting over a thousand PET bottles.

Robinsons Easymart also donated Php 200,000 to the Eco-Ikot program of Communities Organized for Resource Allocation (CORA). CORA's Eco-Ikot center serves as "inclusive and replicable" waste collection and recycling system in communities, promoting community participation and sustainable solid waste management.

Supporting the BSP's national coin recirculation program

Robinsons Supermarket is proud to partner with the Bangko Sentral ng Pilipinas (BSP) in its efforts to bolster the national coin recirculation program through the Coin Deposit Machine (CoDM) project.

CoDMs were unveiled at Robinsons Supermarket at Robinsons Manila and Robinsons Metro East, enabling customers to deposit coins and directly credit the equivalent amount to an electronic wallet, with more slated for launch across the country soon.

Noting the importance of coins in doing business and its impact to retailers, President and CEO Robina Gokongwei-Pe said, "Coins are an essential part of our monetary system, alongside other types like paper and digital currencies. They support economic activity, making it possible for individuals like our customers to buy goods and avail of services smoothly. When coins are hoarded or forgotten, the balance of our monetary system is disrupted and we face challenges like artificial shortages."

Running for Wellness

Robinsons Supermarket gathered close to 3,000 runners for its 15th annual Fit & Fun Wellness Buddy Run last July at Bridgetown Destination Estate in Quezon City.

This year's run raised Php700,000 for the child sponsorship program of World Vision Development Foundation, Inc. (World Vision Philippines), enabling long-term access for a child, their family, and their community to clean water, nutrition, education, and other essentials. Robinsons Supermarket has been a partner of World Vision since 2009 and currently supports 120 children across the country.

During the run, Robinsons Supermarket also collaborated with Communities Organized for Resource Allocation for the special Eco-Ikot Pop-up, allowing participants to segregate their waste in special bins along the race route and event area, and with food rescue organization Scholars Of Sustenance Philippines to collect excess food items at the run for donation to vulnerable communities.

Empowering Local Farmers

Our commitment to empowering local farmers and selling local products remain. Our Farm-To-Table program promotes a direct collaboration with local fruit and vegetable farmers, amplifying support for their produce while ensuring increased access to fresh and locally-grown goods at competitive prices. Meanwhile, the Super Goods program of The Marketplace continues to support local farmers and social enterprises through the promotion of world-class local products while ensuring overall responsible business practices.

With over 2,200 local farmers and over 30 MSMEs already benefitting from the initiative, there has been a notable increase of almost 50% in farmer support. The total SKUs offered in 2023 also increased by almost 15z to almost 5000 SKUs. We aim to continue this program, with a special focus in 2024 to expanding the Super Goods program through increasing MSME partners, consideration of non-food items in the product line offering, and increased marketing of these products.

Robinsons Supermarket, in partnership with Century Pacific Food, Inc. and Friends of Hope, strengthened its Trees of Wellness campaign this year as it entered its second year.

In August, coconut seedlings were planted in Barangay Ampon in Malungon, Sarangani contributing to the campaign's goal of 100,000 coconut trees planted in 5 years to benefit smallholder coconut farmers in Mindanao with the shared vision of fostering sustainable livelihoods and promoting environmental stewardship.

Following the tree planting activity, Friends of Hope conducted a seminar on the proper planting and care of coconut trees. The session aimed to empower local farmers with knowledge and skills that will contribute to the long-term success of their main source of income. Lunch and gift packs were also distributed to the community.

Sustainable, Traceable Seafood

Illegal, unregulated, and unregistered fishing (IUU) poses a significant threat to our oceans and marine ecosystems. Recognizing this, our Supermarket Segment took a proactive stance by launching a 100% traceable and locally sourced seafood line in our supermarket stores in partnership with Fishta Seafood, one of our top seafood vendors, and Better Seafood Philippines, a nonprofit funded by USAID dedicated to promoting responsible fishing.

We started supporting Fishta in 2021 when they partnered with Better Seafood to ensure that their overall sourcing and processing of locally caught seafood are following responsible seafood sourcing practices. This engagement involved capacitation training on responsible fish handling principles and practices to smallholder fisherfolks, traders, and fish processors of Fishta. We worked closely with Fishta and conducted (1) a review of the 100% traceable and locally sourced seafood labels on our frozen product packaging and visuals in the fresh section and refrigeration units, (2) a review of Fishta's SKU offerings, and (3) the establishment of pilot store locations. This year, we were able to lauch 17 SKUs of frozen seafood and 56 SKUs of fresh seafood products under this product line.
We were able to support over 100 local smallholder fisherfolks, which also encouraged increased participation by women fisherfolks.

Better Nutrition, Brighter Future

Robinsons Supermarket, Robinsons Easymart, and Shopwise, in partnership with Alaska Milk Corporation and the Philippine Department of Education, turned over 91,473 glasses of milk from June to September benefitting 762 schoolchildren for 120 days.

This collaborative effort underscores our commitment to helping nourish young minds and advocating for proper nutrition among schoolchildren as we foster a positive impact and invest in their future.

Kickstarted in June during the annual World Milk Day celebrations, and with the help of our customers, the AlasKaramay initiative benefit schoolchildren in Sinsayon Elementary School in Santiago City, Isabela and Calawis Elementary School and Mayamot Elementary School in Antipolo City.

Drugstores

Bound by a commitment to helping Filipinos access high quality and affordable pharmaceutical products, our Drugstore Segment is comprised of three of the country's most recognizable drugstore banners.

Our Drugstore Segment continues to expand to underserved areas to meet the needs of individuals and communities at their most vulnerable, day in and day out.

Store Count

651	southstar drug
403	Rose Pharmacy
2,127	TGP

southstar drug

One of the largest and oldest drugstore chains in the Philippines, Southstar Drug was founded over 85 years ago by the Dy family in the Bicol region. It has now grown to become an industry leader and is listed as one of the country's Top 500 Corporations.

Southstar Drug stocks a wide assortment of branded prescription and over-the-counter medicines as well as food, personal care, and wellness items. Southstar Drug also has its own range of private label generics.

Rose Pharmacy

Established in Cebu in 1952, Rose Pharmacy is one of the country's top drugstore chains and the leading drugstore chain in the Visayas and Mindanao.

Offering quality and affordable medicines, Rose Pharmacy has its own line of private label generics giving more options to customers for their prescription and over-the-counter medicine needs. Rose Pharmacy is also an exclusive distributor of Guardian, a private line of personal care products.

TGP

Founded by pioneer and visionary Benjamin Liuson, TGP is Robinsons Retail's chain of community drugstores. TGP is operated under a franchise model and continues to be a gamechanger, maintaining its position as the country's largest chain of community drugstores.

TGP's franchising model continues to empower entrepreneurs throughout the country as it remains steadfast in its commitment to enabling access to affordable and accessible healthcare via quality products, competitive prices, and convenient locations.

In Php millions	FY 2022	FY 2023	YoY Growth
Net sales	29,486	33,388	13.2%
SSSG	5.3%	7.1%	
Gross Profit	5,978	7,026	17.5%
EBITDA	2,651	3,015	13.7%

The Drugstore segment recorded double-digit growth in net sales, reaching Php33.4 billion, and accounting for 17.4% of the business. SSSG accelerated to 7.1% in 2023 from 5.3% in 2022, driven by sustained demand for prescription drugs, particularly maintenance medications, while over-the-counter cough and cold medicines and antihistamines also performed well.

Gross profit grew faster than revenue growth, underpinned by category mix improvements, price adjustments, and stronger penetration of house brands. Strong topline growth, augmented by gross profit expansion, allowed EBITDA to grow by 13.7% in 2023 to Php3.0 billion.

Supporting Scholars

In 2023, 25 of our Southstar Drug-Gokongwei Brothers Foundation scholars passed the 2023 Pharmacist Licensure Examinations held in April and November.

Together with the Gokongwei Brothers Foundation, our STEM Scholarship for Excellence has supported close to 200 pharmacy students with scholarships, development programs, and career placements within the Gokongwei Group.

Protecting Our Coasts

Rose Pharmacy, in partnership with the Siquijor Provincial Tourism and Environment Office and Nico Security Agency, organized a coastal cleanup activity in Maria, Siquijor in April. Over 37 sacks of assorted plastic bottles and debris were gathered by over 80 members of the local community; representatives of the local government units of Barangay Liloan, Maria town, and Siquijor Province; and employees of Rose Pharmacy and Nico Security Agency.

"We always try to do our best to contribute to the betterment of communities where we operate. By working with local stakeholders, initiatives like these allow us to serve local communities and help protect the environment," said General Manager Michael G. So.

Running for Better Health

Rose Pharmacy Inc. gathered 3,000 runners in Cebu City for its fourth annual Cancer Warriors Run last July. The annual run is organized by Rose Pharmacy for the benefit of Cancer Warriors Foundation Inc. (CWFI), a patient support organization for families of children with cancer. This year's run raised Php 1,000,000, through the support of Rose Pharmacy's partner suppliers and #RoseWarriors, which will go towards treatment and care for the children.

General Manager Michael G. So turned over the donation to CWFI represented by Cebu Chapter Head Jennifer Ruby Baylon and other CWFI officers.

Meanwhile, Southstar Drug, in partnership with Maxicare Healthcare Corporation, hosted its 12th annual Run For Wellness at the UP Diliman Academic Oval in Quezon City in August, and in Naga City in September.

The run was participated in by over to 6,500 runners and supported by close to 50 partner suppliers. Present at the run included DOH Secretary Teodoro Herbosa, Quezon City Mayor Joy Belmonte, UP Diliman Chancellor Edgardo Carlo Vistan II, Maxicare President and CEO Christian Argos, UP Diliman Community Affairs Vice Chancellor Roehl Jamon, UPHS Director Myrissa Melinda Alip, and DOH Public Relations Officer and Head Executive Assistant Maria Liavel Badillo-Crisostomo.

As part of Southstar Drug and Maxicare's goal of helping improve healthcare standards in the country, a Php 500,000 donation was made to UP Diliman's University Health Services (UPHS) for the maintenance of medical facilities and equipment. Another donation, worth Php 1,000,000, was made to the UP Track and Field Team to help improve the team's training capabilities and foster athletic excellence.

Nurturing the Filipino Entrepreneur

Over 500 franchisees from across the country, attended TGP's annual Franchisees Summit. The two-day summit featured learning sessions with industry leaders and stakeholders with a keynote speech from Quezon City Mayor Joy Belmonte-Alimurung on the implementation of the Universal Health Care Act by the Quezon City Government.

The event also recognized franchisees for their commitment to entrepreneurial excellence, innovative approaches, and community engagement initiatives through the TGP Founder's Cup Awards. The awards not only celebrate outstanding performance but also highlight the transformative impact of franchisees who go above and beyond to meet the healthcare needs of their local communities.

Empowering Pharmacists

Rose Pharmacy hosted its 2nd National Pharmacists Summit in September. Attended by close to 500 pharmacists from the Visayas and Mindanao and over 50 industry and vendor partners, the two-day summit featured learning sessions on current industry trends, breakthrough innovations in patient care through AI, professional progression and specialization for pharmacists and their critical role in the healthcare system, among others.

On the other hand, Southstar Drug hosted its 5th annual Pharmacists' Summit last October with close to 600 Southstar pharmacists from across the country attending the two-day event, which was filled with learning sessions and interactive workshops on recent innovations in healthcare as well as updates to industry standards with speakers from the Professional Regulation Commission's Board of Pharmacy and other industry partners.

Kaibigan sa Kalusugan

To help give underserved communities access to vital health information and healthcare services, TGP intensified its Kaibigan sa Kalusugan Caravan throughout the country in 2023.

From April to August, the caravan reached close to 13,000 individuals in communities in Metro Manila, Davao, Bulacan, General Santos, Zambales, Nueva Ecija, Isabela, Cebu, Laguna, and Cavite. The caravan features a Generics 101 forum, free blood pressure and sugar monitoring, and free medical consultations and generic medicines. There were also games and partner booths that gave away freebies.

"As our Kaibigan sa Kalusugan Caravan continues to make its way to more communities across the country, we remain committed to our mission of helping enable better health outcomes for every Filipino through high quality and affordable generics," said Joanne Dawn Seno-Arceo, General Manager.

Department Stores

From fashion pieces to home and lifestyle necessities, our Department Store Segment offers a wide range of options for our diverse customers and their interests.

Our department stores offer a shopping experience that goes beyond the ordinary through a personalized and exciting experience that allows us to be an enabler of joy.

Store Count

- **50** Robinsons DEPARTMENT STORE

Robinsons
DEPARTMENT STORE

Our pioneer banner founded in 1980, Robinsons Department Store has been serving the Filipino shopper for close to 45 years and remains to be one of the Philippines' premier shopping destinations.

As an anchor tenant, Robinsons Department Stores may be found at all Robinsons Malls throughout the country. It is a one-stop lifestyle hub, providing access to quality merchandise and services to Filipino families including local and international apparel, beauty and personal care essentials, toys, and home and other lifestyle essentials. Every store also has a Robinsons Business Center, which offers customers a range of financial products and services.

Featuring products from Philippine MSMEs and giving them a platform to connect to the mainstream market, Robinsons Department Store also proudly highlights Filipino craftsmanship and innovation through its Tindahan and Go Lokal! sections.

In Php millions	FY 2022	FY 2023	YoY Growth
Net sales	15,031	16,270	8.2%
SSSG	53.4%	7.0%	
Gross Profit	4,546	4,972	9.4%
EBITDA	1,279	1,288	0.6%

The Department Store segment sustained its positive momentum, achieving an 8.2% growth in net sales to Php16.3 billion. The segment's revenues contributed 8.5% of the business. SSSG normalized to 7.0%, following a 53.4% surge in 2022 due to increased mobility. Categories related to back-to-school, travel, and sports were instrumental in driving the topline for 2023.

The growth in gross profit outpaced revenue growth due to favorable category mix and an increase in outright sales. Healthy topline trends and gross margin improvements were mitigated by higher operating expenses, resulting in flattish growth in EBITDA for the year.

For Better Eyesight

Robinsons Department Store and Toys "R" Us turned over close to 500 pairs of usable eyeglasses to the Lions Club of Marikina Valley (MVHLC) in July for Recycle for Sight, Lions Clubs International's flagship eyeglass recycling program.

Collected from donation boxes across select stores, the donated eyeglasses were cleaned, sorted, and distributed to vision screened children, senior citizens, and indigent residents of Marikina City.

In 2022, Robinsons and Toys "R" Us also partnered with MVHLC for the establishment of its Lions Eyeglass Recycling Center, which serves as the hub for the eyeglass recycling program.

A Thousand Strong for Pink October

In support of Breast Cancer Awareness Month, Robinsons Department Store held its annual Pink October event. Benefiting breast cancer patients under the care of the Philippine Foundation for Breast Care Inc. (Kasuso), close to 1,000 head office employees of Robinsons Retail wore pink to raise awareness on breast cancer. For each employee wearing pink, a corresponding donation was also made to Kasuso to help give women access to cancer care. Robinsons Department Store has been a partner of Kasuso since 2016.

Spreading Christmas Cheer for Kids

Robinsons Department Store joined the annual Christmas in November campaign of the Senate Spouses Foundation, Inc. (SSFI) last November in Davao City. This year, 35 children from Padre Pio's Home for Children (PPHC) were given a chance to do some early Christmas shopping for both their personal needs and holiday gifts of their choosing. PPHC is a non-profit home and temporary shelter for kids in Davao City run by the Sisters of the Apostles of Jesus Crucified (AJC).

Present at the event were SSFI President Audrey Tan-Zubiri with officers Nancy Comandante-dela Rosa, Milen Aquino-Gonzalez, Tootsy Echauz-Angara, Kathryna Yu-Pimentel, and Gladys Cruz-Villanueva as well as the AJC Sisters.

DIY

Our DIY Segment has been providing excellent hardware and home improvement solutions for the Filipinos DIYer for three decades now.

Comprised of two of the country's most trusted names in DIY and home improvement, our stores feature a wide range of products from trusted brands at competitive prices and excellent customer service.

Store Count

201	HANDYMAN Do it Best
29	True Value

HANDYMAN Do it Best

A pioneer in the mall-based hardware store concept, Handyman Do it Best was established in 1994 and has become one of the leading hardware and home improvement stores in the Philippines.

Handyman provides value-for-money hardware, electrical and lighting, power tools, and plumbing products as it expands its product selection to respond to changing customer needs.

Handyman became a member of Do It Best Corporation in 2001, one of the largest hardware and home improvement cooperatives in the United States.

True Value

True Value is one country's lifestyle destination outlets for high-quality and unique home and office finds for the discerning homeowner.

Acquired by Robinsons Retail in 2007, True Value has redefined the conventional DIY store by providing a curated selection of products that cater to a wide range of tastes and preferences including lawn and garden tools, automotive supplies, home and kitchen appliances, and paint and sundries, among others.

In Php millions	FY 2022	FY 2023	YoY Growth
Net sales	12,403	12,306	(0.8%)
SSSG	10.1%	(0.5%)	
Gross Profit	3,852	3,787	(1.7%)
EBITDA	1,546	1,238	(19.9%)

The DIY segment registered sales of Php12.3 billion, accounting for 6.4% of the business. Intense competition and a decline in demand for pandemic items such as home and kitchen products affected revenues. Competition in the dog food segment, one of the top categories, has also intensified, with more players entering the market in recent years.

Gross profit experienced a slight decline due to the disposal of aging inventories and markdowns. Similarly, EBITDA eased due to the decrease in net sales, coupled with higher operating expenses.

Building the Future, One Trade-In at a Time

Handyman's Grand Builders Fair not only celebrated builders and DIY enthusiasts but also served as a platform to help promote vibrant communities by empowering shoppers to give back to their homes.

The fair featured a Trade-In promo, which offered 40-60% off select items when customers donated LED bulbs, doorknobs, or electric fans. These traded-in items were then donated to nearby schools, along with comprehensive bathroom renovations and hydration packages. Beneficiary schools included San Carlos Elementary School in Lipa, Batangas, Cantil Elementary School in Roxas, Mindoro, Kasiglahan Elementary School in Montalban, Rizal, Junob High School in Dumaguete City, and San Simon Elementary School in Cagayan de Oro City.

As we help foster a cleaner and safer environment for Filipino children, Handyman turned over of Wishy-Washy hand soap bottles collected through its trade-in program, "Keeping Children Safe and Clean, One Little Hand at a Time."

Launched in partnership with Save the Children, the initiative encouraged customers to purchase discounted bundles of hand soap with one bottle donated to Save the Children Philippines for every bundle purchased. This program helps support Save the Children's crucial hygiene promotion efforts among disadvantaged children across the Philippines. Handyman also further extended its support by donating foldable backpacks and silicone lunchboxes.

We also donated school supplies, water tumblers, school bags, and lunchboxes to Childhope Philippines and AHA Learning Center, nonprofit organizations that also work with disadvantaged Filipino youths. For a limited time, we also held a promo where an amount was donated to the Gokongwei Brothers Foundation for every eco-bag purchased by customers. We were also able to extend aid to those affected by the flash floods in Misamis Occidental by donating light bulbs raised from donations made by customers.

Convenience Stores

Be it hot meals or other essentials, our Convenience Store Segment remains to be part of the daily routine of the on-the-go shopper looking for budget-friendly options.

With stores located in central business districts and highly urbanized areas, our Convenience Store Segment remains committed to providing round-the-clock convenience at great value.

Store Count

- 408 Uncle John's

Uncle John's

A leader in the convenience store space in the Philippines, Uncle John's is Robinsons Retail's flagship convenience store banner.

Uncle John's is the first convenience store in the Philippines with an in-store kitchen facility, which allows it to offer a wide range of hot and fresh food selections every day, including all-time favorites Uncle John's Fried Chicken, Kariman, Toppers, and Chillz, as well as personal care items and general supplies.

Known as Ministop for over 20 years, the chain was rebranded to Uncle John's after Robinsons Retail acquired the remaining 40% stake of Ministop Japan, making it a 100% Filipino-owned company.

In Php millions	FY 2022	FY 2023	YoY Growth
Net sales	6,072	6,337	4.4%
SSSG	26.0%	5.6%	
Gross Profit	2,321	2,408	3.7%
EBITDA	581	571	(2.0%)

The Convenience Store segment, representing 3.3% of the business, recorded net sales growth of 4.4% to Php6.3 billion. Higher sales were driven by a 5.6% increase in SSSG, which benefited from the strong performance of stores located in the Central Business Districts.

The continued growth of the higher-margin ready-to-eat (RTE) business helped accelerate gross profit, which outpaced revenue growth. However, the increase in stores operating 24/7 led to higher operating expenses, resulting in a decline in EBITDA.

Specialty Stores

Robinsons Retail's Specialty Stores segment is comprised of 302 stores across six (6) businesses—Appliances and Electronics, Toys, Mass Merchandise, Beauty, Pet Retail, and Lifestyle Sneakers.

Store Count

APPLIANCES AND ELECTRONICS

- 84 Robinsons Appliances
- 35 Savers Appliances

TOYS

- 42 Toys"R"Us

MASS MERCHANDISE

- 93 Daiso Japan
- 20 Super 50

BEAUTY

- 8 Shiseido
- 2 Benefit San Francisco
- 1 Clé de Peau Beauté

PETS

- 10 Pet Lovers Centre

LIFESTYLE SNEAKERS

- 2 Sole Academy Philippines

APPLIANCES AND ELECTRONICS

With a commitment to providing high quality and cost-efficient products and services, our Appliances and Electronics Segment continues to adapt to the demand for innovative and advanced technology to keep up with the fast-paced lifestyles of Filipinos and enhancing quality of life through technology.

Robinsons Appliances

Robinsons Appliances is one of the country's most trusted names in the electronics and appliances industry in the Philippines. Whether customers are looking for a new kitchen appliance, a state-of-the-art entertainment system, or the latest smartphone model; techies and gadget enthusiasts alike go to Robinsons Appliances for its extensive range of products and strategic store locations.

With a focus on customer satisfaction, Robinsons Appliances provides home and business owners with cost-efficient and top-quality products and services in partnership with local and global brand to cater to the different needs and preferences of customers.

SAVERS APPLIANCES

Established in Angeles City in 1986 as a small home appliance trading shop, Savers Appliances has grown into one of the most recognizable appliance retailers in the Philippines offering durable and reasonably priced products for both homes and businesses with its own service and installation center.

An authorized distributor of select local and international brands, Savers Appliances also provides a range of services to various industries nationwide, which include industrial and building solutions like air-conditioning and ventilating equipment, security systems, and integration products.

TOYS

For over two decades now, our Toys Segment has remained committed to providing products that inspire creativity and spark imagination for both kids and the kids at heart.

Toys "R" Us

Toys "R" Us believes in the crucial role of play not only in promoting overall well-being and happiness but as an effective medium for exploration, learning, and self-expression.

Featuring an extensive collection of toys, video games, electronics, learning aids, and outdoor playsets, Toys "R" Us has standalone stores and is also accessible at all Robinsons Department Stores via the toy section.

MASS MERCHANDISE

Our Mass Merchandise Segment features lifestyle brands for customers looking for budget-friendly, quality products for home and everyday use, whether it be food containers or storage solutions, kitchen essentials and cleaning tools, beauty products, pet toys, toiletries, and more.

DAISO JAPAN

Daiso Japan Philippines gives customers a fun shopping experience with its vast range of delightful and exciting Japanese merchandise from cute ornaments and home décor to snacks and official Sanrio items, to kitchenware and ceramics, to home improvement and gardening tools, and even pet food and accessories all priced from Php88 and up.

Daiso Japan Philippines has been an authorized retailer of Daiso Industries Co. Limited, Japan's top supplier of living ware goods, since 2014.

Super50

A joint venture between Robinsons Retail and Peso Tree, Super50 provides a wide range of very affordable practical and everyday items to a broad market with items priced at Php50 and up.

Super50 features school and office supplies, party essentials, cleaning products, kitchen utensils, toys, and much more.

benefit SAN FRANCISCO

From their catchy product names to their quirky packaging, everything about Benefit Cosmetics is designed to make women smile. Benefit Cosmetics has been providing innovative and fun solutions for women's beauty dilemmas for over four decades now.

Today, Benefit has a range of beauty products that cater to different skin types and concerns, including makeup, skincare, and fragrances. Whether it's creating the perfect brow or achieving a flawless complexion, Benefit has a product or service that can help you look and feel your best.

BEAUTY

Our Beauty Segment aims to empower the Filipino woman with a range of beauty and cosmetics options for every need and for every budget. Through an agreement with Shiseido Philippines Corporation, Robinsons Retail operates standalone stores for Shiseido, Benefit, and Clé de Peau Beauté in premier malls across the country. Complementing this is Robinsons Department Store's Beauty Section, which offer an expanded range of local and international beauty and cosmetic brands.

SHISEIDO

One of the most well-loved and respected beauty brands in the world, Shiseido has been dedicated to delivering high-quality products for over a century and a half. Shiseido's products have always been synonymous with quality, innovation, and excellence.

Shiseido offers a diverse range of products that cater to the needs of different individuals, whether it be cosmetics or skincare, or fragrances and sun care. Shiseido continues to be at the forefront of the beauty industry, providing value to its customers across different regions and cultures.

clé de peau BEAUTÉ

Considered to be Japan's leading luxury beauty brand, Clé de Peau Beauté of the Shiseido Group is known for its high-quality skincare and makeup products.

Clé de Peau Beauté is known for its innovative, high-performing products that combine advanced technology with luxurious ingredients to provide the ultimate in beauty and skincare including award-winning anti-aging cream La Crème, and best-sellers The Serum and The Radiant Fluid Foundation.

PETS

Anchored on a commitment to responsible pet ownership, our Pet Retail segment is centered on providing quality pet care, superior pet products, and dedicated pet services.

Pet Lovers Centre
Pet Care Since 1973
All Passion. All Pets

One of the leading pet retail and service chains in the Philippines, Pet Lovers Centre offers a diverse range of pet products like fresh and dry food options, toys, beds, shampoos, and other accessories. Pet services are also available including grooming and vet clinic services for all types of pets.

Guided by its tagline "All Passion, All Pets", Pet Lovers Centre was first established in Singapore in 1973. Robinsons Retail brought Pet Lovers Centre to the Philippines in 2018 through a franchise license agreement.

In Php millions	FY 2022	FY 2023	YoY Growth
Net sales	14,709	15,231	3.5%
SSSG	18.2%	2.4%	
Gross Profit	3,890	4,060	4.9%
EBITDA	1,315	994	(24.4%)

Net sales of the Specialty Stores segment grew by 3.5% to Php15.2 billion, contributing 7.9% of the business. SSSG for the year came in at 2.4% driven by Toys and Pet Retail.

Gross profit grew faster than net sales supported by vendor support, higher distribution center fees, and changes in product mix. The increase in operating expenses, however, fully offset the gains in gross profit, leading to a decline in EBITDA.

Responsible Pet Ownership

Advancing its mission of responsible pet ownership and pet welfare, Pet Lovers Centre (PLC) donated dog food and pet care products to Leah Borbon Hope for Angels, an animal shelter home to 205 rescued dogs, in May.

The items were collected through PLC's Feed A FURend Donation Drive, a campaign launched in March 2023 with the goal of helping provide balanced meals and proper care for stray and abandoned pets. Leah Borbon Hope for Angels is the campaign's first beneficiary.

PLC's Feed A FURend Donation Drive helps raise public awareness on the challenges faced by animal shelters, which include limited resources. Through the campaign, beneficiary shelters are able to focus on rescue and rehabilitation as well as finding forever homes for animals.

LIFESTYLE SNEAKERS

Whether seeking the latest hyped release or a timeless classic, Robinsons Retail's lifestyle sneakers segment enables you to go on a journey of self-expression and individuality through a shared passion for sneakers and streetwear.

SOLE ACADEMY PHILIPPINES

Sole Academy is one of the country's trusted multi-brand lifestyle sneaker boutique stores. Established in 2011, it has become the premier store for lifestyle kicks frequented by sneaker enthusiasts and fashion-forward individuals alike.

Featuring an array of exclusive collections from leading brands worldwide, Sole Academy has cultivated a devoted following among aficionados seeking the perfect blend of style, comfort, and uniqueness.

Running for the Future

Savers Appliances' Run for the Future gathered over 1,500 participants running for a cause at the Clark Parade Grounds in Pampanga last June.

Run for the Future 2023 was organized to help raise funds for the renovation of Pulung Cacutud Elementary School's library as well as to provide educational tools to select Kapampangan scholars through JCI Angeles City Culiat's TOSSA (The Outstanding Secondary Students of Angeles City).

Every Child's Right to Play

Toys "R" Us Philippines, in partnership with Kidzooona, celebrated World Play Day last May with 50 kids from nonprofit Caritas Manila. The kids had a day of fun and games and were able to play with Toys R Us mascot Geoffrey the Giraffe. They were also able to take home a bag of treats from partners Play-Doh, My Little Pony, and Chuckie.

"World Play Day is a reminder that play is not just child's play; it's a fundamental right that every child should enjoy. Through play, children are able to develop and enhance their cognitive, physical, and emotional well-being. We at Toys "R" Us Philippines will continue to advocate this cause and recognize the profound impact play has on a child's development," said Group General Manager Celina Chua.

Leadership and Governance

Board of Directors

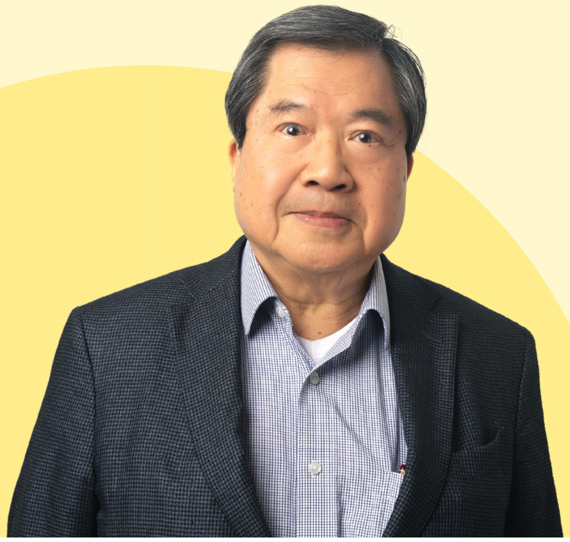
Lance Y. Gokongwei, 57
Chairman

Citizenship
Filipino

Academic Qualifications & Relevant Experience
Received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Date of first appointment
November 13, 2013

Directorships/affiliations in other companies
- Chairman of Robinsons Supermarket Corporation
- President and Chief Executive Officer of JG Summit Holdings
- Chairman of Universal Robina Corporation
- Chairman of Cebu Air, Inc.
- Chairman of JG Summit Olefins Corporation
- Chairman, President, and Chief Executive Officer of Robinsons Land Corporation
- Director and Vice Chairman of the Executive Committee of Manila Electric Company
- Director of RL Commercial REIT, Inc., Altus Property Ventures, Inc., Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, Shakey's Asia Pizza Ventures, Inc., AB Capital and Investment Corporation, Endeavor Acquisition Corporation.
- Trustee and Chairman of the Gokongwei Brothers Foundation, Inc.



James L. Go, 84
Vice Chairman

Citizenship
Filipino

Academic Qualifications & Relevant Experience
Received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Date of first appointment
November 13, 2013

Directorships/affiliations in other companies
- Chairman of JG Summit Holdings, Inc.
- Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation
- Adviser to the Board of Directors and Executive Committee of Cebu Air, Inc.
- Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation and JG Summit Petrochemical Corporation
- President and Trustee of the Gokongwei Brothers Foundation, Inc.
- Director of PLDT, Inc.
- Member of the Technology Strategy and Risk Committees and Advisor of the Audit Committee of the Board of Directors of PLDT, Inc.
- Director of Manila Electric Company

Robina Gokongwei-Pe, 62
President and CEO

Citizenship
Filipino

Academic Qualifications & Relevant Experience
Attended the University of the Philippines-Diliman from 1978 to 1981 and obtained a Bachelor of Arts degree in Journalism from New York University in 1984.

Date of first appointment
November 13, 2013

Directorships/affiliations in other companies
- Director of JG Summit Holdings, Inc., Robinsons Land Corporation, Cebu Air, Inc., and Robinsons Bank Corporation
- Trustee and Secretary of the Gokongwei Brothers Foundation, Inc.
- Trustee and Vice Chairman of the Immaculate Concepcion Academy Scholarship Fund
- Member of the Xavier School Board of Trustees

Scott Price, 61
Director

Citizenship
American

Academic Qualifications & Relevant Experience
Earned a Bachelor of Arts Degree in Business from the University of North Carolina in Charlotte. He also holds a Master's Degree in Business Administration and a Master's Degree in Asian Studies from the University of Virginia.

He has over 30 years of retail, logistics and consumer packaged goods sector experience with key management roles in UPS, Walmart, DHL Express and Coca Cola.

Date of first appointment
August 01, 2023

Directorships/affiliations in other companies
- Group Chief Executive of DFI Retail Group
- Independent Board Director of Coles Group in Australia

Choo Peng Chee, 63
Director

Citizenship
Singaporean

Academic Qualifications & Relevant Experience
MBA in Retailing from the University of Stirling, Scotland.

Covering all food retail operations (grocery retail and convenience stores) in Hong Kong, Macau, China as well as the convenience format in Singapore. Choo Peng Chee brings with him more than 35 years of retail experience.

Date of first appointment
July 31, 2021

Directorships/affiliations in other companies
- CEO, DFI Food
- Director of the DFI Retail Group Management Services Board
- CEO for Wellcome Hong Kong
- Regional Director, North Asia (Food)
- CEO, North Asia & Group Convenience
- CEO, DFI Retail North Asia

Rodolfo P. Ang, 61
Independent Director

Citizenship
Filipino

Academic Qualifications & Relevant Experience
Obtained his Bachelor of Science Degree in Management (Honors Program) and Bachelor of Arts Degree in Communications from Ateneo De Manila University where he graduated Magna Cum Laude. He received his Master's Degree in Business Administration Major in Finance from Boston College, Carroll Graduate School of Management.

Vice President for Administration and an Associate Professor of Ateneo De Manila University.

Former Dean of the Ateneo Graduate School of Business.

He has served the Commission on Higher Education in various capacities, as a member of the Technical Panel for Business and Management Education, member of the Technical Committee for Business Administration and Entrepreneurship, and member of the NCR Regional Quality Assessment Team.

Formerly an independent director of the Philippine Insurers and Reinsurers Association.

Date of first appointment
March 09, 2020

Directorships/affiliations in other companies
- Sits on the Board of Trustees of Xavier School

Cirilo P. Noel, 66
Independent Director

Citizenship
Filipino

Academic Qualifications & Relevant Experience
Graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Law degree from the Ateneo Law School. He has a Master of Law degree from the Harvard Law School and a Fellow of the Harvard International Tax Program. He attended the AIM Management Development Program.

He is a lawyer and certified public accountant.

He held various positions in SGV & Co. including Chairman (from 2010 to 2017), Managing Partner (from 2009 to 2016), Vice Chairman & Deputy Managing Director (from 2004 to 2009), Head of Tax Division (from 2001 to 2008), and Partner, Tax Services (from 1993 to 2017).

Date of first appointment
August 12, 2020

Directorships/affiliations in other companies
- Chairman of Palm Concepcion Power Corporation, Juxtapose Ergo Consultus, Inc. and Cofiar Land Corp.
- Interim Chairman of Security Bank Corporation
- Board member of the following publicly listed companies: Globe Telecom, Inc., San Miguel Foods and Beverage, Inc., and First Philippine Holdings Corporation
- Member of the Board of St. Luke's Medical Center-Global City
- Member of the Board of Trustees of St. Luke's Medical Center-Quezon City, St. Luke's Medical Center College of Medicine, and St. Luke's Medical Center Foundation, Inc.
- Affiliated with the Makati Business Club, Harvard Law School Association of the Phils., and Harvard Club of the Philippines.

Enrico S. Cruz, 66
Independent Director

Citizenship
Filipino

Academic Qualifications & Relevant Experience
Obtained his B.S. in Business Economics and MBA from the University of the Philippines. He was named by the UP College of Business as a Distinguished Alumnus in 2008 and a Distinguished Alumnus Awardee by the UP School of Economics Alumni Association in 2015.

He was the Chief Country Officer of Deutsche Bank (Manila Branch) from June 2003 to July 2019 and was concurrently the bank's Head of Corporate Finance. He joined Deutsche Bank in July 1995 where he established the Global Markets (GM) franchise in the Philippines. Prior to Deutsche Bank, he was a Senior Vice President at Citytrust Banking Corporation (CTBC), an affiliate of Citibank N.A. He previously served as a Director of the Bankers Association of the Philippines (BAP) in 2003-2007, 2011-2015 and 2017- 2019 and was a past president of the Money Market Association of the Philippines.

Date of first appointment
August 27, 2022

Directorships/affiliations in other companies
- Independent director of the following companies: Security Bank Corporation, AREIT Inc., The Keepers Holdings Inc., Maxicare Healthcare Corporation, DITO CME Holdings Inc., SB Capital Investment Corporation, CIBI Information Inc. and Maxilife Insurance Corporation.

Cesar G. Romero, 58
Independent Director

Citizenship
Filipino

Academic Qualifications & Relevant Experience
Holds a Bachelor of Science in Mechanical Engineering (Cum Laude) from the University of the Philippines, and a Masters Degree in Business Administration (with High Distinction) from the University of Michigan. He has also attended a variety of management development courses at the London Business School and the Wharton Business School.

He previously served as the President and Chief Executive Officer of Pilipinas Shell Petroleum Corporation (Shell Philippines), a publicly-listed company, from November 1, 2016 to November 30, 2021.

He served in various capacities in the Shell Group of companies, both local and international. He was formerly the Vice President-Global Retail Network and the Vice President of Retail Sales and Operations East (covering Southeast Asia, South Asia, and China). He was a member of the Shell Global Retail Leadership team which set policies, strategy, annual business targets, capital allocation, and operations for Shell's Downstream Retail Business comprised of over 43,000 petrol stations in the world, the largest single branded retailer in the world.

Date of first appointment
August 02, 2022

Directorships/affiliations in other companies
- Independent director of Aboitiz Equity Ventures, Inc. and Aboitiz Power Corporation

Business Unit Heads

Christine O. Tueres
Group General Manager
Robinsons Supermarket, No Brand

Erneliza Lim-De Jesus
General Manager
Robinsons Easymart

Kerwin L. Legarde
General Manager
The Marketplace, Shopwise

Celina N. Chua
Group General Manager
Robinsons Department Store, Toys 'R' Us

Maria Carmina Pia G. Quizon
General Manager
Robinsons Department Store, Shiseido, Benefit, Cle de Peau

Christine Y. Sanchez
Deputy General Manager
Toys 'R' Us

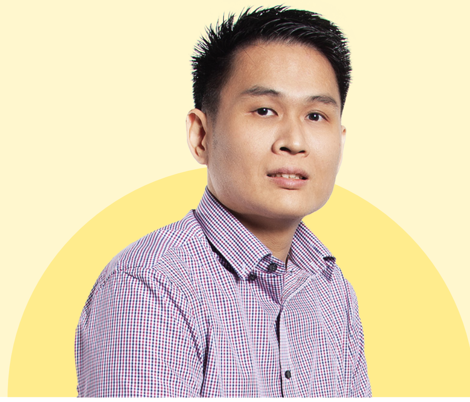
Joanne Dawn Seno-Arceo
Group General Manager
Southstar Drug, Rose Pharmacy, TGP

Mariel L. Crisostomo
General Manager
Southstar Drug

Michael G. So
General Manager
Rose Pharmacy

Thaddeus L. Sanchez
Deputy General Manager
Southstar Drug

Theodore A. Sogono
Group General Manager
Handyman Do it Best, True Value, Pet Lovers Centre



Dondon Gaw
Deputy General Manager
True Value

Pearly Lorenzo-Templado
Deputy General Manager
Pet Lovers Centre

Jovito U. Santos
Group General Manager
Robinsons Appliances, Savers Appliances

Jansen Ivan K. Uy
General Manager
Savers Appliances

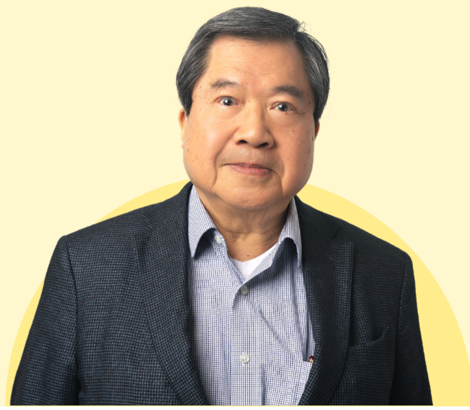
Donna Rhia Miranda-Leoncio
General Manager
Uncle John's

Katherine Michelle Q. Yu
General Manager
Daiso Japan, Super50

Edna T. Belleza
General Manager
GoCart

Senior Management

Lance Y. Gokongwei
Chairman



James L. Go
Vice Chairman

Robina Gokongwei-Pe
President and CEO

Stanley C. Co
Chief Operating Officer

Mylene A. Kasiban
Chief Financial Officer
Chief Risk Officer

Gilbert S. Millado, Jr.
General Counsel
Compliance Officer
Data Privacy Officer

Rosalinda F. Rivera
Corporate Secretary

Gina Roa-Dipaling
Vice President, Corporate Planning
Investor Relations Officer
Head of Sustainability

Graciela A. Banatao
Treasurer

Josemaria D. Catanghal
Chief Information Officer

Mark O. Tansiongkun
Chief Procurement Officer

Gabriel D. Tagala, III
Vice President, Human Resources

Stephen M. Yap
Head of Innovation

Corporate Governance

Corporate Governance

Corporate governance is the framework of rules, systems and processes of Robinsons Retail that governs the performance of the Board of Directors and Management of their respective duties and responsibilities to the stakeholders. The Revised Corporate Governance Manual, was adopted to institutionalize corporate governance principles as a guide for the daily conduct of business.

We continuously strive to strengthen and improve our corporate governance practices by adopting best practices, which includes building a competent board, aligning strategies with goals, managing risk effectively, adhering to high standards of ethics and integrity, and promoting accountability by defining roles and responsibilities.

As we continue our journey in Sustainability, we are also further strengthening and articulating our policies on Climate Action and Human Rights, to fully realize alignment on a policy level in the recognition of relevant issues in ESG, such environmental protection, climate risk sustainable consumption, gender equality and children's rights. We are working closely with the Board and Management across the different Business Units, and have continued to integrate ESG into our policy and operational frameworks.

Corporate Objectives

Robinsons Retail Holdings, Inc. aims to retain its position as the second-largest multi-format retailer in the Philippines catering to the broad middle market. It plans to expand its store network across its retail formats with focus on regions outside of Metro Manila where modern retail penetration is still low. Aside from organic expansion, part of its strategy is to participate in the market's consolidation by entering into mergers and acquisitions in existing and complementary retail formats. Robinsons Retail targets consistent sales growth while improving margins to ensure sustainability of operations.

The Board of Directors

The Board of Directors ("The Board") is primarily responsible for the governance of the Company and provides an independent check on management. It has the duty to foster the long-term success of the Company and to ensure that the Company's competitiveness and profitability will be sustained in a manner consistent with its corporate objectives for the best interest of the company and its stakeholders.

The Board formulates the Company's vision, mission, strategic objectives, policies and procedures that guide its activities, including the means to effectively monitor Management's performance. It provides direction and approval in relation to matters concerning the Company's business strategies, policies and plans, while the day-to-day business operations are delegated to the Executive Committee.

The Board exercises care, skill and judgment and observes good faith and loyalty in the conduct and management of the business and affairs of the Company. It ensures that all its actions are within the scope of power and authority as prescribed in the Articles of Incorporation, By-Laws, and existing laws, rules and regulations. To uphold high standard for the Company, its Shareholders and other Stakeholders, the Board conducts itself with honesty and integrity in the performance of its duties and responsibilities

Board Duties and Responsibilities

The Company's Corporate Governance Manual specifies the roles, duties and responsibilities of the Board of Directors in compliance with relevant laws, rules and regulations. In adherence to the principles of corporate governance, the Board is tasked to perform the following:

General Responsibilities

It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and in the best interest of the Corporation, its Shareholders and Stakeholders, as a whole.

Duties and Functions

To ensure high standard for the Corporation, its Shareholders and other Stakeholders, the Board shall conduct itself with honesty and integrity in the performance of, among others, the following duties and responsibilities:

- Act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all Stakeholders;
- Oversee the development of and approve the Company's business objectives and strategy, and monitor their implementation, in order to sustain the Company's long-term viability and strength. The Board shall review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures;
- Oversee the adoption of an effective succession planning program and remuneration policies;
- Adopt policies on board nomination and election that will ensure diversity in board composition in terms of knowledge, expertise and experience;
- Oversee the implementation of a policy and system on RPTs which shall include the review and approval of material or significant RPTs and ensure fairness and transparency of the transactions;
- Oversee the adoption of policies on the selection of Management and Key Officers and the assessment of their performance;
- Oversee the establishment of an internal control system to monitor and manage potential conflicts of interest and an ERM framework to identify, monitor, assess and manage key business risks;
- Annually review, together with Management, the Company's vision and mission;
- Ensure the Corporation's faithful compliance with all applicable laws and regulations, and best business practices; Establish and maintain an Investor Relations Program that will keep the Shareholders informed of important developments in the Corporation. The Corporation's CEO shall exercise oversight responsibility over this program;
- Identify the Corporation's Stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely, and effective communication with them;
- Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the

integrity of the decision-making and reporting processes at all times;

- Ensure that the Corporation has an independent audit mechanism for the proper audit and review of the Corporation's financial statements by independent auditors;
- Ensure that the Corporation establishes appropriate Corporate Governance policies and procedures pursuant to this Manual and the Governance Code, including but not limited to, policies on conflict of interest, and oversee the effective implementation thereof; and
- Consider the implementation of an alternative dispute resolution system for the amicable settlement of conflicts or differences between the Corporation and its Shareholders, if applicable

Board Independence

The Board has four independent directors that possess all the necessary qualifications and none of the disqualifications to hold the position, with two independent directors added in 2022. The Company reinforce proper mechanisms for disclosure, protection of the rights of shareholders, equitable treatment of shareholders, and the accountability of the Board and Management are in place. In cases of conflicts of interest, Directors with a material interest in any transaction with the Company abstain from participating in the deliberation of the same.

Board Training and Orientation

The Company ensures that directors are able to perform their functions effectively in this rapidly changing environment to cope with heightened regulatory policies, foreign and local demands, and the growing complexity of the business. Orientation programs are conducted for first time directors to ensure that new members are appropriately apprised of their duties and responsibilities. This includes overview of the Company's operations, Code of Conduct, Corporate Governance framework and other relevant topics essential in the performance of their functions. As a matter of continuous professional education, the Company facilitates the training opportunities provided for the Directors and Key Officers.

Board Meetings

The Board schedules meetings at the beginning of the year, holds regular meetings in accordance with its By-Laws and convene special meetings when required by business exigencies. The notice and agenda of the meeting and other relevant meeting materials are furnished to the Directors at least five (5) business days prior to each meeting. Meetings are duly minuted. The Independent Directors shall always attend Board meetings. Unless otherwise provided in the By-Laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one (1) Independent Director in all its meetings.

To monitor the Directors' compliance with the attendance requirements, the Company submits to the Commission an advisement letter on the Directors' record of attendance in Board meetings.

Board Committees

Audit and Risk Oversight Committee

This Audit and Risk Oversight Committee Charter (this "Charter") establishes the purpose, qualifications and membership, structure and operations, duties and responsibilities of the Audit and Risk Oversight Committee (the "Committee") of Robinsons Retail Holdings, Inc. (the "Company"), and the procedures which guide the conduct of its functions.

The purpose of the Audit and Risk Oversight Committee are as follows:

- To provide oversight over the Company's financial reporting, Internal Control System, and Internal and External Audit processes. It shall ensure that systems and processes are in place to provide assurance activities, ensure accurate financial reporting, monitor compliance with laws, regulations and internal policies, determine the efficiency and effectiveness of business operations, and provide the proper safeguarding and use of the Company's resources and assets; and
- To oversee the establishment of an ERM framework to identify, monitor, assess and manage key business risks. The ERM framework shall guide the Company in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. It shall be responsible for defining the Company's level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control or manage risks or possible threats to its operations and performance.

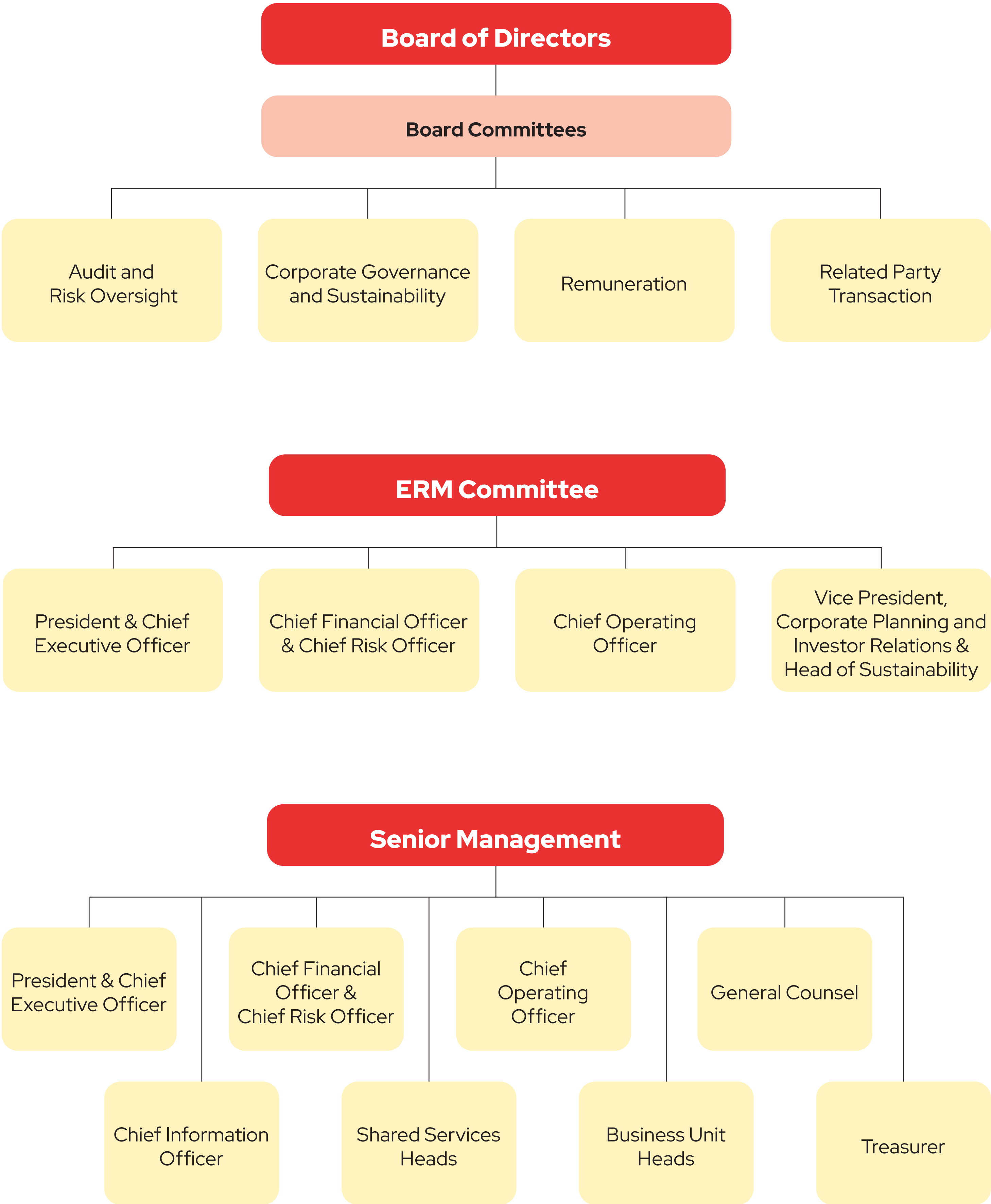
Audit and Risk Oversight Committee	
Cirilio P. Noel	Chairman
Rodolfo P. Ang	
Enrico S. Cruz	
Cesar G. Romero	
Choo Peng Chee	

Audit and Risk Oversight Advisory Members
James L. Go
Robina Gokongwei-Pe

To download the Audit and Risk Oversight Committee Charter, follow this link: https://tinyurl.com/RRHIAuditandRisk

Managing our Risks

Our ERM Structure



Responsibilities

ERM Board Oversight

The Board of Directors and its various committees provide oversight and guidance on material risks and mitigation strategies, with ERM specifically guided by the Audit & Risk Committee through biannual meetings. The BOD receives regular updates from the ERM Committee, Senior Management and key risk functions.

ERM Committee

The ERM Committee, led by the Chief Risk Officer (CRO), reviews and assesses the identified enterprise risks in order to formulate plans, establish mitigation strategies and institutionalize monitoring processes both at the business unit and enterprise level.

Alongside the CRO, its current structure is composed of the President & CEO and COO, ensuring that risks and opportunities have high visibility at the top level in operations.

Lastly, the Vice President for Corporate Planning, Investor Relations, and Head of Sustainability is likewise part of the ERM Committee, with its mandate in strategy development, stakeholder management, and ESG informing the structure of ERM and its related disclosures.

Senior Management

Members of the Senior Management include the members of the ERM Committee, the Shared Services Heads and other Business Unit Heads. The main responsibility of Senior Management is to establish internal controls and execute procedures to identify, assess and manage events that may pose a risk to the business units of the Company. Related risk functions and risk owners on an operational level are likewise tasked to analyze risks and how to mitigate them. This allows for measures, if necessary, to be implemented in a timely and comprehensive manner when risk events occur.

The Chief Risk Officer

Robinsons Retail's Chief Financial Officer concurrently acts as the Chief Risk Officer or CRO, who serves as the direct point person for managing the Company's material risks. They ensure that all risk management strategies are implemented and monitored at the business unit and enterprise level. Working closely with the Board of Directors Committee on Audit and Risk and members of Senior Management, the CRO relies on the detailed identification and assessment of risks by the key risk owners to effectively implement mitigation measures.

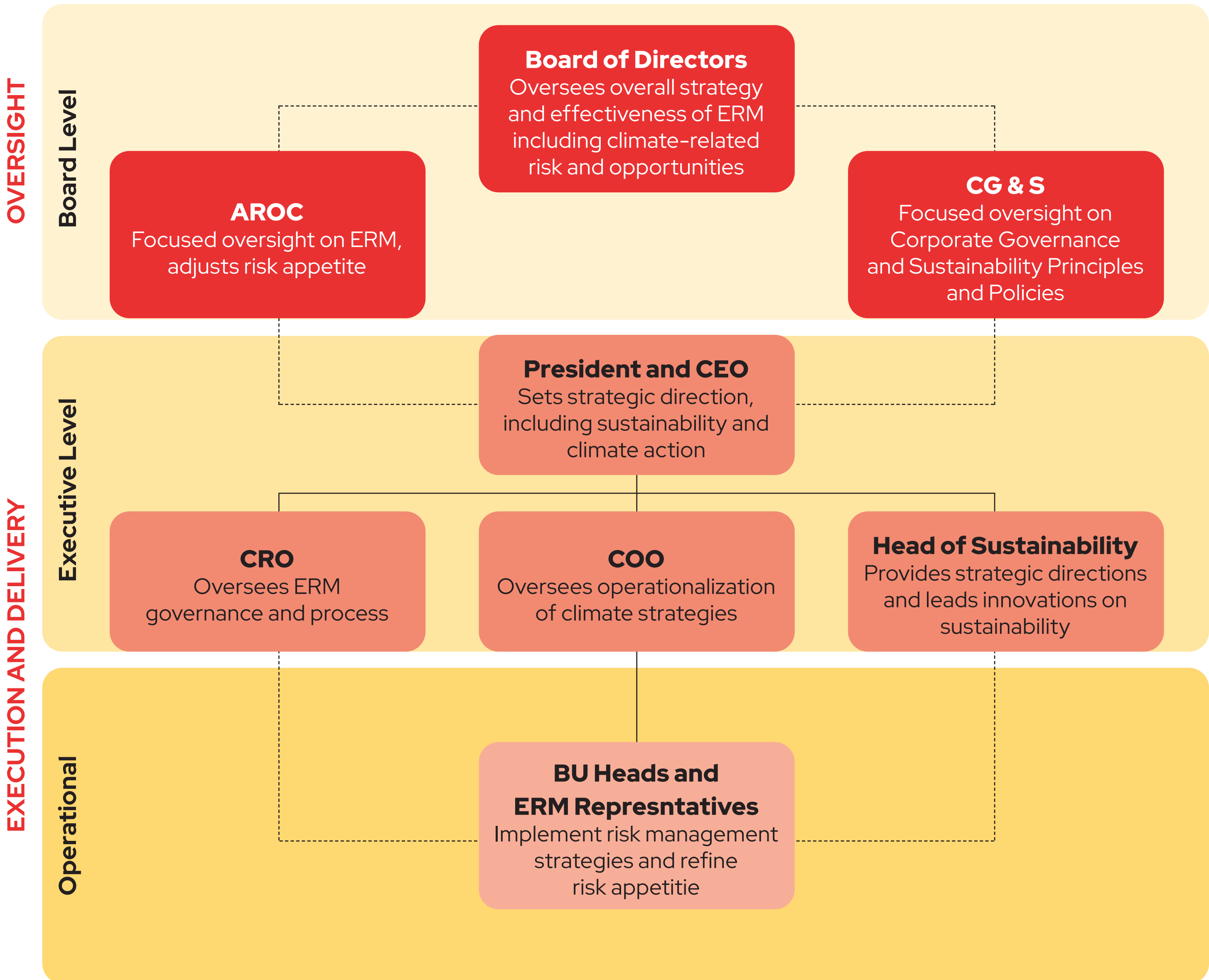
Climate Change Risks and Opportunities

Climate Governance Structure

We recognize the critical role of climate governance in navigating the evolving challenges of climate change. Our leadership structure enables proactive management of potential risks posed by climate change, while simultaneously identifying and seizing new opportunities.

Our governance structure enables informed decision-making at multiple levels:

- **Board Oversight**: The Board provides top-level oversight, ensuring the effectiveness of our overall climate strategy.
- **Management Execution**: Management focuses on integrating the climate agenda throughout the whole portfolio, and reports progress to the Board.
- **Operational Integration**: Business units implement the climate-related strategy, ensuring its integration within day-to-day activities and alignment with corporate goals.



The **Board of Directors** oversees the management of climate-related risks and opportunities, ensuring that climate considerations are seamlessly integrated into our strategies, procedures, and systems. The Board, through the **Audit and Risk Oversight Committee (AROC)**, evaluates management's actions on risk matters. The AROC oversees the ERM framework, ensuring policies adequately address climate-related risks for both operational and financial resilience. It also guides the development, implementation, and evaluation of our climate-related risk management plans.

Supporting the Board alongside AROC is the **Corporate Governance and Sustainability Committee (CG&S)**, which oversees the development and implementation of corporate governance principles and policies, with a focus on the Economic, Environment, Social, and Governance (EESG) aspects of sustainability. It also evaluates management's effectiveness in maximizing climate-related opportunities.

The **President and Chief Executive Officer (CEO)** sets the overall strategic direction for the conglomerate, including our approach to sustainability and climate action, playing a central role in driving climate initiatives, managing climate risks, and ensuring transparent reporting on our climate performance.

The **Chief Risk Officer (CRO)** oversees our ERM processes, establishing a robust framework for managing climate-related risks.

The **Chief Operating Officer (COO)** oversees the operationalization of climate strategies across the different business units.

The **VP for Corporate Planning and Head of Sustainability** develops strategies that align with the company's sustainability goals and commitments, including those related to climate change mitigation and adaptation. The Head of Sustainability also ensures that climate considerations are integrated into the company's broader business strategy. The head also designs and leads the development of our climate resilience and transition plans within which relevant risks and opportunities are identified and then help the business units achieve climate-related targets. The head coordinates with the COO and the business unit heads in the effective implementation of climate strategies.

Our **Business Units** play a vital role in operationalizing our climate resilience strategies. Through the leadership of the COO and guidance from the CRO and Head of Sustainability, the BUs implement and continuously refine risk management strategies to address climate-related challenges within their specific business areas.

Approach to Climate Risk Management

Our Enterprise Risk Management (ERM) strategy takes a holistic approach to both addressing climate-related risks and maximizing climate-related opportunities within our framework. Our comprehensive process embeds the identification, assessment, and management of climate-related risks and opportunities into the overall ERM framework through the following steps: 1) Risk Identification, 2) Risk Assessment, 3) Risk Prioritization, and 4) Risk Response, Monitoring, and Evaluation.

a. **Integration of climate-related risk and opportunity management to the overall Enterprise Risk Management**

Climate-related risks and opportunities are integrated into our ERM system and managed at both the Management and BU Level. Identified as a Climate Risk category in the Group's risk register allows us increased focus on climate risk identification and mitigation. Climate risk assessment and climate scenario analysis (CSA) is being integrated into our overall ERM system by identifying physical risks, evaluating impact, prioritizing urgency, and executing resilience strategies.

b. Risk Identification, Assessment, and Prioritization

We established a risk assessment scale categorizing impacts as insignificant to extreme and likelihoods from rare to almost certain, tailored by each operating company to their specific context and risk appetite, streamlining the risk rating process. Risks were assessed for severity based on impact and likelihood, focusing on their inherent nature, independent of our specific circumstances or management capacity. Priority was given to risks with high to very high severity, considering our organization's risk profile, vulnerability, and their urgency. This assessment prioritizes the company's most critical assets by pinpointing their exposure to climate hazards. Using detailed climate models and scenarios (RCP 4.5 and 8.5), it then quantifies the potential impacts on these assets through specialized tools. In short, it identifies weak spots and measures potential damage from climate change.

Climate-related physical and transition risks are included in our recent risk register. Climate-related risks pose potential adverse impact to operations, particularly in the face of extreme weather events. Regulatory changes linked to climate change, such as carbon pricing, emissions caps, and extended producer responsibility, may impact operations by escalating compliance costs. The insights from the CSA are being incorporated into the group's ERM system, enhancing our management of climate-related risks and opportunities. This integration deepens our understanding of the potential likelihood and severity of climate risks, enabling more informed decision-making in prioritizing and response planning.

c. Risk Response, Monitoring, and Evaluation

We ensure the implementation of suitable risk responses for each climate-related risk, both at the BU level and at the enterprise-wide level. Risk owners are responsible for managing climate-related risks and collaborate with risk champions to develop effective management strategies to reduce environmental impact and adapt to climate threats. The head of sustainability will be leading the cascade of our recently concluded CSA to the business units risk owners to ensure effective integration of climate risk assessment in the overall operations of the business units.

Continuous monitoring of legislative proposals and regulatory trends is in place, ensuring timely identification of potential effects on operations. We also continuously integrate the identified climate-related risks specifically extreme weather events into our business continuity plans and crisis management plans to ensure group's resiliency.

d. Opportunity Management Process

We are proactively anticipating future climate conditions, identifying opportunities arising from changing consumer behaviors, new market developments, and innovations aligned with ongoing climate trends. This process includes a thorough evaluation of potential climate-related opportunities, pinpointing those that complement the company's core strengths, contextual relevance, and prevailing market trends.

Each identified opportunity will be assessed for its financial, operational, and reputational implications to gauge its feasibility. We will rank these opportunities according to how well they align with our corporate and sustainability objectives, evaluating their feasibility, potential for expansion, and compatibility with current business initiatives.

To stay ahead, we will regularly revise and update our approach at least annually in response to changing climate conditions and market shifts. This continuous monitoring and refinement highlight our commitment to actively evolving landscape of climate-related opportunities.

e. Changes in Risk Identification, Assessment, Prioritization, and Monitoring

We continuously enhance our risk management system, demonstrating the commitment to addressing evolving challenges. Notably, in this latest reporting period, we have integrated climate scenario analysis into our risk identification and assessment processes. This strategic initiative has empowered us to proactively anticipate and address potential climate-related risks.

Metrics and Targets

To provide our shareholders and stakeholders clear insights into our approach to managing climate-related risks and opportunities, we have set specific environmental and climate-related targets and are tracking our progress.

a. Metrics and Targets for Physical Risks

To demonstrate our approach in managing the physical climate-related risks, we reflected metrics for exposure assessment coverage and vulnerability assessment coverage associated with flooding, tropical cyclones, extreme temperature and heat stress, and sea level rise.

Metrics	Current Performance	Ambition
Exposure Assessment Coverage	83 business critical facilities, comprising of 4 Head Offices, 51 Robinsons Malls where many of our stores are located, and 28 Distribution Centers	Integrate climate hazard exposure assessment for other existing and new facilities
Vulnerability Assessment Coverage	Supermarket Segment's Sucat Mega Distribution Center	Replicate vulnerability assessment in other critical sites, as well as new sites

b. GHG Emissions Metrics and Targets

Disclosure	Unit	2023 Quantity
Total GHG emissions (Scope 1 and 2)	MTCO2e	424,777
Gross direct (Scope 1) GHG emissions	MTCO2e	147,545
Gross Energy Indirect (Scope 2) GHG emissions	MTCO2e	277,231
Gross Other Indirect (Scope 3) GHG emissions	MTCO2e	18,293
GHG emissions intensity	MTCO2e/Million Php	2.2

We calculated our total greenhouse gas emissions using the operational control approach and includes measurement and reporting of our scope 1, 2, and some scope 3 carbon emissions. For scope 2 emissions, we utilize a location-based approach. We have partially disclosed our Scope 3 emissions as we commit to track our value chain emissions.

To ensure our businesses transition to low-carbon practices, we will be developing our climate transition roadmap in 2024, as we eventually set our aspiration to attain Net Zero target by 2050.

Corporate Governance and Sustainability Committee

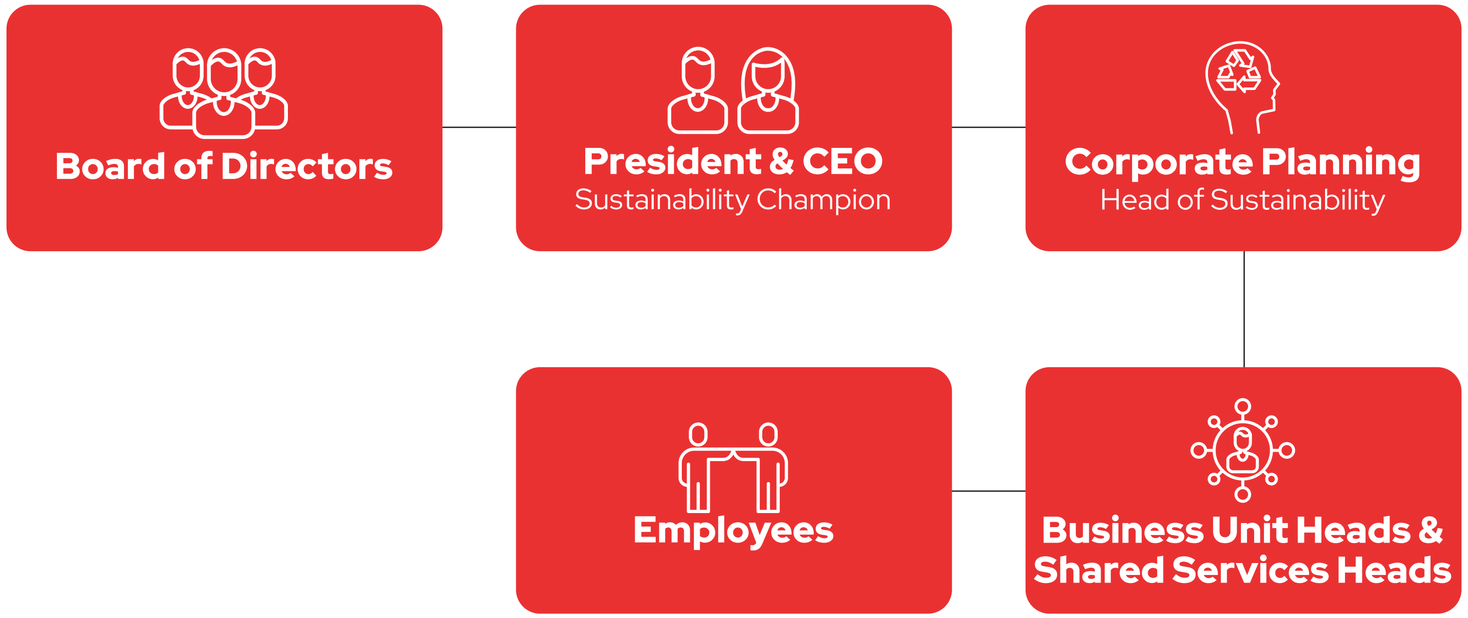
This Corporate Governance and Sustainability Committee Charter (this "Charter") establishes the purpose, qualifications and membership, structure and operations, duties and responsibilities of the Corporate Governance and Sustainability Committee (the "Committee") of Robinsons Retail Holdings, Inc. (the "Company"), and the procedures which guide the conduct of its functions.

The purpose of the Corporate Governance and Sustainability Committee is to oversee the development and implementation of Corporate Governance principles and policies and perform oversight functions on the Economic, Environment, Social and Governance aspects of sustainability. The Corporate Governance and Sustainability Committee shall recommend a formal framework on the nomination, and evaluation of the performance of the Directors, Officers and Senior Management to ensure that this framework is consistent with the Company's culture, strategies and the business environment.

Corporate Governance and Sustainability Committee	
Rodolfo P. Ang	Chairman
Cirilio P. Noel	
Enrico S. Cruz	

To download the Corporate Governance and Sustainability Committee Charter, follow this link: https://tinyurl.com/RRHICGSustainability

Delegating Authority for Sustainability



In RRHI, the President and CEO of the company, who directly reports to the Board of Directors, has been appointed with oversight over economic, social, and environmental topics. Any top-level directives and decisions are cascaded down to our Corporate Planning team, which in turn disseminates information and strategizes sustainability initiatives with the Business Unit and Shared Services Heads of the company, who then further cascade sustainability to their respective employees. The Corporate Planning Department will facilitate efforts among the Business Units and Shared Services Departments to further foster a culture of Sustainability within the RRHI, facilitate data-gathering and monitoring of ESG metrics, as well as serve as the liaison body between RRHI and the Gokongwei Group on topics and issues related to Sustainability.

Remuneration Committee

This Remuneration Committee Charter (this "Charter") establishes the purpose, qualifications and membership, structure and operations, duties and responsibilities of the Remuneration Committee (the "Committee") of Robinsons Retail Holdings, Inc. (the "Company"), and the procedures which guide the conduct of its functions.

The purpose of the Remuneration Committee is to formulate a remuneration policy that will enable the Company to attract, retain and motivate senior Management of the quality required to run the Company successfully without paying more than is necessary, having regard to views of the Shareholders and other Stakeholders. The remuneration policy should have regard to the Company's long-term strategic goals. The Remuneration Committee shall implement the remuneration policy with the authority to enable it, in conjunction with internal and external advisers, to ensure the Board's objectives are met.

Remuneration Committee	
Lance Y. Gokongwei	Chairman
James L. Go	
Scott Price	
Enrico S. Cruz	
Cesar G. Romero	

To download the Remuneration Committee Charter, follow this link: https://tinyurl.com/RRHIRemuneration

Related Party Transaction Committee

This Related Party Transaction Committee Charter (this "Charter") establishes the purpose, qualifications and membership, structure and operations, duties and responsibilities of the Related Party Transaction Committee (the "Committee") of Robinsons Retail Holdings, Inc. (the "Company"), and the procedures which guide the conduct of its functions.

The purpose of the Related Party Transaction (RPT) Committee is to ensure that there is group-wide policy and system governing Material Related Party Transactions (MRPTs), particularly those that breach the materiality threshold. The policy shall include the appropriate review and approval of MRPTs, which guarantee fairness and transparency of the transactions.

Related Party Transaction Committee	
Enrico S. Cruz	Chairman
Rodolfo P. Ang	
Cirilo P. Noel	

To download the Related Party Transaction Committee Charter, follow this link: https://tinyurl.com/RRHIRPT

Attendance of Directors in Board Meetings

January 1, 2023 to December 31, 2023

Director	No. of Meetings Attended/Held	Attendance Percentage
James L. Go	10/10	100%
Lance Y. Gokongwei	10/10	100%
Robina Y. Gokongwei-Pe	10/10	100%
Scott Price	2/10	20%
Choo Peng Chee	10/10	100%
Rodolfo P. Ang	10/10	100%
Cirilo P. Noel	9/10	90%
Enrico S. Cruz	10/10	100%
Cesar G. Romero	10/10	100%

**Mr. Scott Price was elected as a Director of the Corporation effective August 1, 2023*

Board Remuneration

We recognize the critical role that skilled and experienced directors play in driving the success and sustainable growth of the Company. Our Board's remuneration is designed to treat all directors fairly, upholding just and equitable remuneration practices.

The Company's directors receive an annual retainer fee of P600,000 (excluding nominee directors), a P60,000 per diem remuneration for every Board meeting and shareholders' meeting, and a P30,000 per diem remuneration for every committee meeting attended.

Director	Retainer Fee	Per Diem		Total
		Board Meetings	Committee Meetings	
James L. Go	600,000.00	300,000.00	120,000.00	1,020,000.00
Lance Y. Gokongwei	600,000.00	300,000.00	-	900,000.00
Robina Y. Gokongwei-Pe	600,000.00	300,000.00	120,000.00	1,020,000.00
Scott Price[1]	450,000.00	60,000.00	-	510,000.00
Choo Peng Chee	600,000.00	300,000.00	120,000.00	1,020,000.00
Rodolfo P. Ang	600,000.00	300,000.00	120,000.00	1,020,000.00
Cirlio P. Noel	600,000.00	240,000.00	90,000.00	930,000.00
Enrico S. Cruz	600,000.00	300,000.00	120,000.00	1,020,000.00
Cesar G. Romero	600,000.00	300,000.00	120,000.00	1,020,000.00
Ian McLeod	150,000.00	120,000.00	-	270,000.00
TOTAL	**5,400,000.00**	**2,520,000.00**	**810,000.00**	**8,730,000.00**

[1]Date of first appointment last August 1, 2023, replacing Ian McLeod.

Meanwhile, the aggregate compensation of executive officers and directors of the Company for 2023 is shown below.

	Year	Salaries	Bonuses	Total
		(In Million Php)		
President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Group General Manager of Appliances Segment, and Chief Information Officer	2021	49.27	4.36	53.59
	2022	53.38	4.51	57.89
	2023	57.83	5.06	62.89
Aggregate compensation paid to all other general managers, heads for shared services, and directors as a group unnamed	2021	127.78	10.89	138.67
	2022	130.37	10.71	141.08
	2023	145.44	12.55	157.99

Stakeholders Welfare, Transparency, and Anti-Corruption

Robinsons Retail Holdings, Inc. ("The Company") acknowledges that good corporate governance is essential to build an environment of trust, transparency and accountability necessary for fostering long-term performance, financial stability, business integrity and sustainability of the company for the protection of the interests of shareholders and other stakeholders.

The Company believes that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of the company, its ability to attract investment and enhance shareholder value. This includes the Company's commitment to ensure fair and equitable treatment of all shareholders, including the minority, and the protection of their rights that include:

1. Right to vote on all matters that require their consent or approval
2. Right to nominate, elect, remove, and replace directors in accordance with the Corporation Code
3. Right to inspect corporate books and records
4. Right to information
5. Right to dividends
6. Appraisal right

Internal Controls

With the leadership of the Company's Chief Financial Officer (CFO), internal control is embedded in the operations of the company and in each BU thus increasing their accountability and ownership in the execution of the BU's internal control framework. To accomplish the established goals and objectives, BUs implement robust and efficient process controls to ensure:

1. Compliance with policies, procedures, laws and regulations
2. Economic and efficient use of resources
3. Check and balance and proper segregation of duties
4. Identification and remediation control weaknesses
5. Reliability and integrity of information
6. Proper safeguarding of company resources and protection of company assets through early detection and prevention of fraud

Adequate and Timely Information

To enable the Directors to properly fulfill their duties and responsibilities, Management provides the Directors with complete, adequate, and timely information about the matters to be taken up in their meetings. Information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts, and internal financial documents. If the information provided by Management is not sufficient, further inquiries may be made by a Director to enable him to properly perform his duties and responsibilities.

The Directors have independent access to Management and to the Corporate Secretary. The Directors, either individually or as a Board, and in the performance of their duties and responsibilities, may seek access to independent professional advice within the guidelines set by the Board.

Accountability and Audit

The Board ensures that its Shareholders are provided with a balanced and comprehensible assessment of the Company's performance, position and prospects on a quarterly basis. Interim and other reports that could adversely affect its business are also made available in the Company website including its submissions and disclosures to the SEC and PSE. Management formulates the rules and procedures on financial reporting and internal control for presentation to the Audit Committee in accordance with the following guidelines:

1. The extent of its responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the External Auditor, should be clearly defined;
2. An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company for the benefit of all Shareholders and other Stakeholders;
3. On the basis of the approved Internal Audit Plan, Internal Audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operation information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules, and regulations;
4. The Company consistently complies with the financial reporting requirements of the SEC;
5. The External Auditor shall be rotated or changed every five (5) years or earlier, or the signing partner of the External Auditing firm assigned to the Company, should be changed with the same frequency. The Corporate IA Head should submit to the Audit Committee and Management an annual report on the Internal Audit department's activities, responsibilities, and performance relative to the Internal Audit Plan as approved by the Audit and Risk Committee. The annual report should include significant risk exposures, control issues, and such other matters as may be needed or requested by the Board and Management. The Internal Audit Head should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, the Internal Audit Head shall disclose to the Board and Management the reasons why he has not fully complied with the said documents; and

6. The Board, after consultations with the Audit Committee shall recommend to the Shareholders an External Auditor duly accredited by the SEC who shall undertake an independent audit of the Company, and shall provide an objective assurance on the matter by which the financial statements shall be prepared and presented to the Shareholders.

Internal Audit

The Corporate Internal Audit is focused on delivering its mandate of determining whether the governance, risk management and control processes, as designed and represented by management, are adequate and functioning in a manner that provides reasonable level of confidence that:

1. Employees' actions are compliant with policies, standards, procedures, and applicable laws and regulations;
2. Quality and continuous improvement are fostered in the control processes;
3. Programs, plans, and objectives are achieved; Resources are acquired economically, used efficiently, and protected adequately;
4. Resources are acquired economically, used efficiently, and protected adequately;
5. Significant financial, managerial, and operating information is accurate, reliable, and timely;
6. Significant key risks are appropriately identified and managed; and
7. Significant legislative or regulatory issues impacting the Company are recognized and properly addressed.

Opportunities for improving management control, profitability and the Company's reputation may be identified during audits.

Notice of Annual and Special Shareholders' Meeting

The Company is transparent and fair in the conduct of the annual and special Shareholders' meetings. To foster active shareholder participation, the Board sends the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least twenty-eight (28) days before the meeting. The Shareholders are encouraged to personally attend such meetings and those who are unable to attend are apprised ahead of time of their right to appoint a proxy. Subject to the requirements of law, rules and regulations and the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the favor of the shareholder.

Guided by the principles of fairness, accountability and transparency to the shareholding public, the Company ensures that the result of the votes taken during the most recent Annual or Special Shareholders' Meeting are made available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting may be accessed through the Company Website within three (3) business days from the end of the meeting.

Duty to Other Stakeholders

Customers' Welfare

The Company adopts customer relations policies and procedures to protect customer's welfare. This includes providing and making available the customer relations contact information who is empowered to address and attend to customer questions and concerns.

Supplier/Contractor Selection

The Company adopts customer relations policies and procedures to protect customer's welfare. This includes providing and making available the customer relations contact information who is empowered to address and attend to customer questions and concerns. The Company recognizes and places importance on the interdependence between business and society, and promote a mutually beneficial relationship that encourages the Company's sustainable growth, while contributing to the advancement of the society where it operates. The Company employs value chain processes that take into consideration Economic, Environmental and Social Governance (EESG) issues and concerns.

Employees

The Board also establishes policies, programs and procedures that encourage employees to actively participate in the realization of the Company's goals and its governance including but not limited to:

- Health, safety and welfare;
- Training and development; and
- Reward and compensation

1. Performance-enhancing mechanisms for employee participation
   The Company abides by the standards and policies set by the Department of Labor and Employment. Likewise, the Company has Security and Safety Manuals that are implemented, reviewed and regularly updated to ensure the security, safety, health, and welfare of the employees in the workplace.

   The Company continuously provides learning and development opportunities for its employees through the John Gokongwei Institute for Leadership and Enterprise Development (JG-ILED), the leadership platform for systematic and sustained development programs across the conglomerate. Its mission is to enable a high performing organization that will facilitate the learning process and develop the intellectual and personal growth of all employees through targeted and customized trainings and development programs.

2. Anti-Corruption programs and procedures
   The Company is committed to promoting transparency and fairness to all stakeholders. The Board sets the tone and make a stand against corrupt practices by adopting anti-corruption policies and programs. Some of the Company's Anti-Corruption programs are embodied in the Code of Business Conduct and Ethics, Conflict of Interest, Offenses Subject to Disciplinary Action (OSDA), among others. The same are disseminated to all employees across the Company through trainings to embed them in the Company's culture. New employees are oriented regarding policies and procedures related to Business Conduct and Ethics and similar policies. All employees are given periodic reminders. Further, all concerned employees of the Conglomerate are required to comply with the Self-Disclosure Activity on Conflict of Interest and Declaration of Gifts Received on an annual basis.

   The Company also has an established suitable framework for whistleblowing and ensure its enforcement to allow employees and other stakeholders to freely communicate their concerns about illegal or unethical practices without fear of retaliation, and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.

Company Policies

The Company's Code of Business Conduct and Conflicts of Interest Policy require employees to make a conscious effort to avoid conflict of interest situations; that his judgment and discretion is not influenced by considerations of personal gain or benefit. A conflict of interest may also occur because of the actions, employment, or investments of an immediate family member of an employee.

Conduct of Business and Fair Dealings

The Company's employees that recommend, endorse, or approve the procurement or / sale of goods and services should make a conscious effort to avoid any conflict of interest situation in transactions that they are involved in.

Receipt of Gifts from Third Parties

The Company allows the acceptance of gift only during the Christmas Season. There is no restriction in the value of the gift accepted. However, accepted gift with estimated value over Php2,000 must be disclosed to the Conflicts of Interest Committee.

Compliance with Laws & Regulations

The Company ensures that all transactions comply with relevant laws and regulations. Any deficiencies are immediately rectified.

Respect for Trade Secrets/ Use of Non-public Information

The Company has policies that ensure proper and authorized disclosure of confidential information. Disclosures to the public can only be done after disclosure to the SEC and PSE by the Company's authorized officers.

Use of Company Funds, Assets and Information

Employees are required to safeguard Company resources and assets with honesty and integrity. Employees must ensure that these assets are efficiently, effectively, and responsibly utilized.

Employment and Labor Laws and Policies

The Company's Human Resources Unit ensures compliance with employment and labor laws and policies.

Disciplinary action

Violation of any provision of the Code of Business Conduct may result to disciplinary action, including dismissal and reimbursement for any loss to the Company that results from the employee's action. If appropriate, a violation may result in legal action against the employee or referral to the appropriate government authorities.

Conflict Resolution

The Conflicts of Interest Committee submits recommendations on courses of action to be taken on conflicts of interest situations. Decision is done by the Executive Committee.

The complete list of company policies can be accessed publicly through the company's website: Corporate Governance - Robinsons Retail Holdings, Inc.

Company Policy	Policy Statement
Conflict of Interest Policy	The Company's Code of Business Conduct and Conflicts of Interest Policy require employees to make a conscious effort to avoid conflict of interest situations; that his judgment and discretion is not influenced by considerations of personal gain or benefit. A conflict of interest may also occur because of the actions, employment, or investments of an immediate family member of an employee.
Whistleblowing Policy	The Company is committed to conduct business according to the highest ethical and legal standards. In line with this commitment, we encourage employees and business partners to raise concerns about any aspect of the business operation. To download the Whistleblowing Policy, follow this link: https://tinyurl.com/RRHIWhistleblower
Insider Trading Policy	The Company shall abide with the provisions of law set forth in the Securities Regulation Code and shall implement policies and procedures to prevent the unauthorized disclosure or misuse of material, non-public information in securities trading to preserve the reputation and integrity of the Company. To download the Insider Trading Policy, follow this link: https://tinyurl.com/RRHIInsiderTrading
Material Related Party Transactions Policy	The Company shall conduct all Material Related Party Transactions (MRPT) on an arm's length basis, on fair and reasonable terms and conditions no less favorable than any such terms available to unrelated third parties under the same or similar circumstances. To download the Material Related Party Transactions Policy, follow this link: https://tinyurl.com/RRHIMRPT
Stakeholders' Health, Safety, and Welfare Policy	The Company is committed to undertake all reasonable steps to ensure the health, safety and welfare for the best interest of our stakeholders and the communities where we live and work by complying with the provisions of law, industry rules and regulations, standards of independent accreditation bodies where the Company obtained accreditation, and contractual obligations. To download the Stakeholders' Health, Safety, and Welfare Policy, follow this link: https://tinyurl.com/RRHIHSW
Board of Diversity Policy	The Company recognizes the benefits of having a diverse Board and its value in maintaining sound corporate governance while achieving strategic objectives and sustainable growth. To download the Board Diversity Policy, follow this link: https://tinyurl.com/RRHIBoardDiversity
Succession and Remuneration Policy	The Company shall ensure its continued effective performance and sustained growth through leadership continuity for the benefit of all its stakeholders. To download the Succession and Remuneration Policy, follow this link: https://tinyurl.com/RRHISuccessionPlanning

Company Policy	Policy Statement
Board Nomination and Election Policy	The Board recognizes the importance of having a qualified and competent Board to achieve Company objectives as well as to protect the interest of all its stakeholders and shall ensure that proper nomination and election process is in place to attain this. The objective of this policy is to institute policy and process for the nomination and election of the Board of Directors. The Policy applies to the nomination and election of the Board of Directors. To download the Board Nomination and Election Policy, follow this link: https://tinyurl.com/RRHIBoardNominationElection
Board Assessment	Members of the Board conduct collective and individual annual assessment of the Board performance through a Board Assessment Review initiated by the Corporate Governance Committee. Results of the Board and Committee Assessments are presented to the Board Corporate Governance Committee and circulated to the Board for their feedback and confirmation.
Supplier Accreditation Policy	The Company shall purchase only from duly accredited suppliers endorsed by the Business Unit Supplier Accreditation Team (BUSAT) and approved for accreditation by the Corporate Supplier Accreditation Team (CORPSAT). To download the Supplier Accreditation Policy, follow this link: https://tinyurl.com/RRHISupplierAccreditation
Consumer Protection Manual	The Company shall comply with the issued BSP Circular 857 – BSP Regulations on Financial Consumer Protection emphasized on the financial consumer protection as a fundamental responsibility of all BSP Supervised Financial Institutions (BSFI). BSFIs are expected to observe Consumer Protection Standards governed by its basic values and ethical business practices in all dealings with customers with financial transactions. To download the Consumer Protection Manual, follow this link: https://tinyurl.com/RRHIConsumerProtection
Directors, Officers, Stockholders, and Related Interests	The dealings of the Company with any of its Directors, Officers, Stockholders and Related Interests (DOSRI) and Related Parties shall be in the regular course of business and upon terms not less favorable to the Company than those offered to others. Related Party Transactions (RPTs) are generally allowed, provided they are done on an arm's length basis.
Anti-Corruption Policy	The Company is committed to conducting business with integrity compliant with all applicable laws and regulations of the Philippines. The Company takes a strict stance against corruption and recognizes that it is a threat to its reputation, operations, sustainability, and success. To download the Anti-Corruption Policy, follow this link: https://tinyurl.com/RRHIAntiCorruption
Customer Welfare Policy	The Company is committed to being an innovative lifestyle partner and customer-centric retailer of choice for the Filipino shopper. The Company is committed to promoting customer welfare and satisfaction through its products and services. To download the Customer Welfare Policy, follow this link: https://tinyurl.com/RRHICustomerWelfare
Sustainable Value Chain Policy	The Company is committed to sustainability and creating a positive impact on the environment and communities in which it operates. The Company's goal is to develop and maintain a sustainable value chain that promotes social and environmental responsibility. To download the Sustainable Value Chain, follow this link: https://tinyurl.com/RRHISustainableValueChain

Insider Trading

The dealings of the Company with any of its Directors and Key Officers are done on an arm's length basis, and upon terms not less favorable to the Company than those offered to others.

The table below sets forth the summary of trading in the Company shares by the Directors and Key Officers for the financial years 2022 and 2023.

Shareholdings of Directors and Key Officers

Name	Position	Shareholdings as of December 31, 2022	% of Shares to Total Outstanding Shares	**Shareholdings as of December 31, 2023**	**% of Shares to Total Outstanding Shares**
Lance Y. Gokongwei	Director and Chairman	91,952,656	6.22	**91,952,656**	**6.31**
Robina Gokongwei Pe	Director, President, and Chief Executive Officer	91,952,654	6.22	**91,952,654**	**6.31**
James L. Go	Director and Vice Chairman	31,928,005	2.16	**31,928,005**	**2.19**
Ian McLeod	Director	1	0.0000000676	**-**	**-**
Scott Price*	Director	-	-	**1**	**0.0000000686**
Choo Peng Chee	Director	1	0.0000000676	**1**	**0.0000000686**
Rodolfo P. Ang	Director (Independent)	1	0.0000000676	**1**	**0.0000000686**
Cirilo P. Noel	Director (Independent)	1	0.0000000676	**1**	**0.0000000686**
Enrico S. Cruz	Director (Independent)	50	0.0000033803	**50**	**0.0000034303**
Cesar G. Romero	Director (Independent)	10	0.0000006761	**10**	**0.0000006861**
Stanley C. Co	Chief Operating Officer	-	-	**0**	**0**
Mylene A. Kasiban	Chief Financial Officer and Chief Risk Officer	0	0	**0**	**0**
Stephen Yap	Chief Information Officer	0	0	**0**	**0**
Mark O. Tansiongkun	Chief Procurement Officer	0	0	**0**	**0**
Graciela A. Banatao	Treasurer	0	0	**0**	**0**
Gina R. Dipaling	Vice President, Corporate Planning Investor Relations Officer Head of Sustainability	1500	0.0001014078	**1,500**	**0.0001029091**
Gabriel Tagala III	Vice President, Human Resources	0	0	**0**	**0**
Rosalinda F. Rivera	Corporate Secretary	0	0	**0**	**0**
Gilbert S. Millado Jr.	General Counsel and Chief Compliance Officer	500	0.0000338026	**500**	**0.0000343030**

**Appointed as member of the Board of Directors effective August 1, 2023, as replacement of Ian McLeod.*

Dividend Policy

Under the Dividend Policy, the Company shall implement an annual cash dividend payout ratio of forty percent (40%) of its audited consolidated net income attributable to parent for the preceding fiscal year subject to compliance with the requirements of applicable laws and regulations, the terms and conditions of its outstanding loan facilities and the absence of circumstances which may restrict the payment of such amount of dividends, including, but not limited to, instances wherein the Company proposes to implement and undertake major projects and developments through its subsidiaries. There can be no guarantee that the Company will pay dividends in the future.

The Company observes a 30-day period for distributing dividends following the declaration date of dividends.

Company Website

The Company updates the public with operating and financial results through timely disclosures filed with SEC and PSE. These are available on the company's website: https://www.robinsonsretailholdings.com.ph/

List of Corporate Disclosures / Replies to SEC letters under SEC Form 17-C

January 1, 2023 to December 31, 2023

Date of Disclosure	Description
Jan. 3, 2023	Share Buyback Transaction
Jan. 5, 2023	Approval for Robinsons Retail Holdings, Inc. (RRHI) to acquire 4.4% stake in BPI
Jan. 5, 2023	Press release on the purchase by Robinsons Retail Holdings, Inc. of a 4.4% stake in the Bank of the Philippine Islands ("BPI")
Jan. 9, 2023	Approval and confirmation by the Board of Directors of Robinsons Retail to purchase a total of 198,265,257 shares of the Bank of the Philippine Islands, which represents a 4.4% stake in BPI. The Board of Directors of Robinsons Retail approved on 5 January 2023, the execution of an agreement between the Company, GIC Private Limited ("GIC"), through its affiliate, Arran Investment Pte. Ltd. ("Arran"), Liontide Holdings, Inc. ("Liontide"), and BPI for Robinsons Retail to acquire the above-mentioned shares at PHP99.5 per share, subject to customary closing conditions. The underlying BPI shares corresponding to the Liontide Preferred Shares are already listed with the Philippine Stock Exchange. The agreement referred to above pertains to the Share Purchase Agreement which was executed on January 5, 2023. Robinsons Retail purchased 148,698,943 BPI shares through a block sale executed on January 10, 2023, through the facilities of the Philippine Stock Exchange which will be settled on January 13, 2023. This disclosure pertains to the purchase by Robinsons Retail of 148,698,943 BPI shares representing a 3.3% equity interest in BPI out of the 4.4%.

Date of Disclosure	Description
Jan. 9, 2023	Approval and confirmation by the Board of Directors of Robinsons Retail to purchase a total of 198,265,257 shares of the Bank of the Philippine Islands, which represents a 4.4% stake in BPI. The Board of Directors of Robinsons Retail approved on 5 January 2023, the execution of an agreement between the Company, GIC Private Limited ("GIC"), through its affiliate, Arran Investment Pte. Ltd. ("Arran"), Liontide Holdings, Inc. ("Liontide"), and BPI for Robinsons Retail to acquire the above-mentioned shares at PHP99.5 per share, subject to customary closing conditions. This disclosure pertains to the purchase by Robinsons Retail of 10,384,903 Preferred Shares of Liontide, owned by Arran, which are redeemable into 49,566,314 underlying BPI shares, representing 1.1% of BPI's outstanding shares out of the 4.4%. The underlying BPI shares corresponding to the Liontide Preferred Shares are already listed with the Philippine Stock Exchange.
Jan. 13, 2023	Completion of the Purchase by Robinsons Retail Holding, Inc. of a 4.4% Equity 78 Interest in BPI
Jan. 16, 2023	Press release on the purchase by Robinsons Retail Holdings, Inc. of a 4.4% stake in the Bank of the Philippine Islands ("BPI") issued last January 5, 2023 and press release dated January 16, 2023 with additional information required by the Philippine Stock Exchange (PSE) on the same transaction.
Jan. 16, 17 and 18 2023	Share Buyback Transactions
Jan. 19, 2023	Robinsons Retail Holdings, Inc.'s 4Q/FY 2022 Unaudited Results Earnings Call
Jan. 19, 20, 23, 24, 25 and 26, 2023	Share Buyback Transactions
Jan. 27, 2023	Update on the Merger of BPI and Robinsons Bank which was approved by the Board of Directors of Robinsons Retail Holdings, Inc. on September 30, 2022 – On January 26, 2023, a Supplement to the Agreement for the Merger of Bank of the Philippine Islands and Robinsons Bank Corporation was executed by and among BPI, RRHI, JG Capital and Robinsons Bank Corporation.
Jan. 27, 30, and 31, 2023	Share Buyback Transactions
Feb. 1, 2023	Material Information/Transactions – FY2022 Earnings Results – Robinsons Retail Delivers Record Earnings in 2022
Feb. 1, 2023	Press Release on FY2022 Earnings Results
Feb. 1, 3, 6, 7, 8, 9, and 10, 2023	Share Buyback Transactions
Feb. 13, 2023	Clarification of a news article entitled "Robinsons Retail plans to open 200 new stores in 2023" posted in Manila Standard (Online Edition) on February 12, 2023.
Feb. 14, 15, 16, 17, 20, 21, 22, 23, 27 and 28, 2023	Share Buyback Transactions
March 1 and 2, 2023	Share Buyback Transactions
March 3, 2023	Clarification of news article entitled "BPI-RBC merger may take effect this year" posted in Business World (Online Edition) on March 3, 2023
March 3, 6, 7, 8, 9, and 10, 2023	Share Buyback Transactions
March 10, 2023	Matters Approved by the Board of Directors of Robinsons Retail Holdings, Inc. on March 10, 2023 – changing the principal address of RRHI from "43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Sts., Ortigas Center, Pasig City, Metro Manila" to "110 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City"; setting the 2023 Annual Meeting of the Shareholders of RRHI to be held on May 12, 2023 at 9:30 am via remote communication and with April 3, 2023, as the record date for the said meeting and adoption of policies on Anti-Corruption, Customer Welfare and Sustainable Value Chain.
March 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28, 29, 30 and 31 2023	Share Buyback Transactions
April 3, 4, 5, 11, 12, 13, 14, 17, 18, 19, 20, 24, 25, and 26, 2023	Share Buyback Transactions
April 27, 2023	Press release on 1Q2023 Earnings Results – Core Net Income Surges by 20.5% in 1Q2023
April 27, 2023	Material Information/Transactions – 1Q2023 Earnings Results – Core Net Income Surges by 20.5% in 1Q2023
April 27, and 28, 2023	Share Buyback Transactions
May 2, 3, 4, 5, 8, 9, 10, and 11, 2023	Share Buyback Transactions
May 12, 2023	Declaration of a regular cash dividend
May 12, 2023	Results of the Annual Shareholders Meeting Approval by the shareholders of the amendment of Article Third of the Articles of Incorporation. Results of the Organizational Meeting of the Board of Directors

Date of Disclosure	Description
May 12, 15, 16, 17, 18, 19, 29, 30 and 31, 2023	Share Buyback Transactions
June 1, 2, 5, 6, 7, 8, 9, 13, 14, 15, 16, 19, 20, 21, 22, 23, 26, 27, 29 and 30, 2023	Share Buyback Transactions
July 3, 2023	Appointment of Mr. Stanley C. Co as the Chief Operating Officer of Robinsons Retail Holdings, Inc. effective August 1, 2023 Press Release entitled Robinsons Retail appoints Stanley C. Co as Chief Operating Officer
July 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 17, 18, 19, 20, 21,24, and 25, 2023	Share Buyback Transactions
July 25, 2023	Election of a Member of the Board of Directors and Appointment of Officers of Robinsons Retail Holdings, Inc.
July 25, 2023	Share Buyback Transaction Material Information/Transactions - Robinsons Retail Core Earnings Up 10.6% in 1H2023 Press Release entitled "Robinsons Retail Core Earnings Up 10.6% in 1H2023"
July 27, 28, and 31 2023	Share Buyback Transactions
Aug. 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 30 and 31, 2023	Share Buyback Transactions
September 1, 13, 14, 2023	Share Buyback Transactions
September 14, 2023	Update on the Merger of BPI and Robinsons Bank which was approved by the Board of Directors of Robinsons Retail Holdings, Inc. on September 30, 2022 - On September 13, 2023 BPI received the signed decision of Philippine Competition Commission clearing the Merger.
September 15, 2023	Share Buyback Transactions
October 19, 2023	Robinsons Retail Holdings, Inc.'s 3Q 2023 Unaudited Results Earnings Call
October 20, 2023	Updates on the Merger of BPI and Robinsons Bank which was approved by the Board of Directors of Robinsons Retail Holdings, Inc. on September 30, 2022 - On October 20, 2023 a Supplement to the Plan of Merger was executed by BPI and Robinsons Bank Corporation which provides the number of shares to be issued in favor of the Robinsons Bank Shareholders pursuant to the Merger. BPI will issue a total of 314,003,992 common shares in relation to the Merger.

Date of Disclosure	Description
October 26, 2023	Material Information/Transactions - Robinsons Retail 9M2023 Core Earnings Up 4% Press Release entitled "Robinsons Retail 9M2023 Core Earnings Up 4%"
November 16, 2023	Approval of the Extension of the Share Buyback Program of Robinsons Retail Holdings, Inc. Press Release entitled "PCC Completes Motu Proprio Review on the Acquisition of Rose Pharmacy
November 17, 20, 21, 22, 23, 24, and 28, 2023	Share Buyback Transactions
Nov. 28, 2023	Change in the Stock Transfer Agent of RRHI from Rizal Commercial Banking Corporation – Stock Transfer Department to RCBC Trust Corporation, a newly established stand-alone trust corporation
Nov. 29 and 30 2023	Share Buyback Transactions
Dec. 1, 4, 5, 6, 7, 11, 12, and 13, 2023	Share Buyback Transactions
Dec. 13, 2023	Disclosure on date of approval by the Securities and Exchange Commission (SEC) of the amendment of the principal address of RRHI as indicated in its Articles of Incorporation and the date of receipt of such SEC approval. Change in Principal Address of RRHI
Dec. 14, 2023	Share Buyback Transactions
Dec. 18, 2023	Updates on the Merger of BPI and Robinsons - Approval by the BSP of the merger between BPI and Robinsons Bank Corporation, with BPI as the surviving entity, subject to compliance with certain conditions and the shareholdings of RRHI in BPI post-merger.
Dec. 18, 2023	Change in the Stock Transfer Agent of RRHI – RRHI will disclose the effective date of termination of RCBC Stock Transfer Department as the stock transfer agent of RRHI and the date of engagement of RCBC Trust Corporation as the new stock transfer agent of RRHI upon completion by RCBC Trust Corporation of all regulatory requirements.
Dec. 18, 19, and 20, 2023	Share Buyback Transactions

Awards, Recognition and Membership Associations

Robinsons Retail

2024 Philippines' Best Employers
Philippine Daily Inquirer, Statista

2023 Bloomberg Gender-Equality Index
Bloomberg L.P.

1 Golden Arrow Award for Corporate Governance
ASEAN Corporate Governance Scorecard, Institute of Corporate Directors

2023 Luminary (Enterprise - Commercial)
Meralco

Pride in Performance Excellence in Customer-Centric Culture - Internal Customers (2nd)
Gokongwei Group

Robinsons Supermarket

2024 Philippines' Best Employers
Philippine Daily Inquirer, Statista

Most Outstanding Partner
Department of Trade and Industry

Gold Bagwis Award
Department of Trade and Industry

Silver Bagwis Award
Department of Trade and Industry

2023 Golden Grab Awards Demand Maverick - GrabMart Promo Leader
Grab Philippines

2023 Golden Grab Awards Innovation Award
Grab Philippines

2023 Golden Grab Awards Operational Award - On the Dot
Grab Philippines

Southstar Drug

2024 Philippines' Best Employers
Philippine Daily Inquirer, Statista

2023 Healthy Pilipinas Bronze Awardee
Department of Health

Pride in Performance Excellence in Customer-Centric Culture - External Customers (1st)
Gokongwei Group

Pride in Performance Excellence in Digital Transformation (3rd)
Gokongwei Group

Rose Pharmacy

2024 Philippines' Best Employers
Philippine Daily Inquirer, Statista

Partner Recognition
Department of Environment and Natural Resources

Partner Recognition
University of San Carlos

2023 Brigada Eskwela Partner Recognition
Department of Education - City Schools Division of Mandaue, Cebu

Partner and Advocate Appreciation
Cancer Warriors Foundation

Partner Appreciation
City Government of Bogo, Cebu

Partner Appreciation
Provincial Government of Siquijor

2023 Highest Member Spend Growth
Data Venture Analytics, Inc.

Top Corporate Account Award - Visayas and Mindanao
Maidehao Makuku

Robinsons Department Store

5 Gold Bagwis Awards
Department of Trade and Industry

Silver Bagwis Award
Department of Trade and Industry

7 Bronze Bagwis Awards
Department of Trade and Industry

Handyman Do it Best

Champion for PWDs
Tahanang Walang Hagdanan

Partner Appreciation
CHILDHOPE Philippines

19 Gold Bagwis Awards
Department of Trade and Industry

4 Silver Bagwis Awards
Department of Trade and Industry

50 Bronze Bagwis Awards
Department of Trade and Industry

True Value

3 Million Club Award
True Value International

5 Bronze Bagwis Awards
Department of Trade and Industry

Best in Brand Integration for 2023
Data Venture Analytics, Inc.

Growth Achievement Award
Tosot Philippines

Robinsons Appliances

2024 Philippines' Best Employers
Philippine Daily Inquirer, Statista

8 Gold Bagwis Awards
Department of Trade and Industry

8 Silver Bagwis Awards
Department of Trade and Industry

18 Bronze Bagwis Award
Department of Trade and Industry

The Excellence Southeast Asia Dealer Award 2023
Haier Philippines

Diamond Outstanding Contribution Award
Haier Philippines

Gold Growth Award
Haier Philippines

High-End Transformation Award
Haier Philippines

2023 Top Brand
Home Credit Philippines

Best Performance in Flagship Model
Oppo Philippines

Platinum Dealer Award
Toshiba, Concepcion Midea

Savers Appliances

19 Gold Bagwis Awards
Department of Trade and Industry

5 Silver Bagwis Awards
Department of Trade and Industry

1 Bronze Bagwis Award
Department of Trade and Industry

Membership of Associations

Robinsons Retail

Philippine Retailers' Association

Robinsons Supermarket

Management Association of the Philippines
Philippine Consumer Centric Traders Association
Supply Chain Management Association of the Philippines
The Consumer Goods Forum

Southstar Drug

Drugstores Association of the Philippines
People Management Association of the Philippines
Philippine Business and Disability Network
Philippine Retailers' Association
Philippine Society for Talent Development

TGP

Marketing Executives of the Pharmaceutical Industry
Philippine Business for Social Progress
Philippine Chamber of Commerce and Industry
Philippine Chamber of Pharmaceutical Industry
Philippine Franchise Association
Philippine Pharmacists Association

Uncle John's

Philippine Franchise Association
Philippine Retailers' Association

ESG Data Tables and Appendices

Economic and Governance

Disclosures	Unit	2021	2022	2023
Economic Performance				
Direct economic value generated (revenue)	Million Pesos	155,368	181,257	193,669
Direct economic value distributed				
Operating costs[1]	(M Php)	143,484	166,418	179,577
Employee wages and benefits1	M Php	5,956	6,185	7,145
Payments to suppliers, other operating costs	M Php	already included in the operating cost	already included in the operating cost	already included in the operating cost
Dividends that are given to stockholders	M Php	3,306	3,663	4,753
Taxes given to the government	M Php	1,744	2,291	2,367
Investments to the community (e.g., donations, CSR)	M Php	38	13	28
Direct economic value retained	M Php	841	2,688	-200
Anti-corruption				
Training on Anti-corruption Policies and Procedures				
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	%	100	100	100
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	%	100	100	100
Percentage of directors and management that have received anti-corruption training[2]	%	73	80	0
Percentage of employees that have received anti-corruption training[2]	%	100	100	0
Incidents of Corruption				
Number of incidents in which directors were removed or disciplined for corruption	Count	0	0	0
Number of incidents in which employees were dismissed or disciplined for corruption	Count	0	0	0
Number of incidents when contracts with business partners were terminated due to incidents of corruption	Count	0	0	0

[1]Restated 2021 and 2022 values due to the original inclusion of third-party manpower wages in the employee wages and benefits.

[2]The company is in the process of improving its anti-corruption training for directors and employees

Environment

Disclosures	Unit	2021	2022	2023
Materials				
Renewable Materials Consumption	Metric Tons (MT)	2,595	3,316	3,287
Non-renewable Materials Consumption	MT	1,731	2,298	1,199
Total Materials Consumption	MT	4,326	5,349	4,486
Materials Consumption Intensity	MT/Million Php	0.028	0.030	0.023
Non-renewable Materials Consumption Intensity	MT/Million Php	0.011	0.013	0.006
Energy				
Grid Electricity Consumption	Kilowatt-hours (kWh)	286,508,3193	355,823,689	384,895,195
Grid Electricity Consumption Intensity	kWh/Million Php	1,844	1,963	1,987
Fuel Consumption				
Gasoline for company-owned vehicles	Liters (L)	178,414	173,120	133,996
Diesel for company-owned vehicles	L	164,944	194,136	156,963
Diesel for company generator sets	L	339,413	251,655	80,536
Energy Consumption from company-owned vehicles	kWh	3,472,210	3,731,765	2,959,679
	GJ	12,500	13,434	10,655
Energy Consumption from company generator sets	kWh	3,610,361	2,676,879	856,672
	GJ	12,997	9,637	3,084
Total Non-renewable Energy Consumption	kWh	293,590,890	362,232,333	388,711,546
	GJ	1,056,927	1,304,036	1,399,362
Non-renewable Energy Consumption Intensity	GJ/Million Php	6.8	7.2	7.2
Total Renewable Energy Consumption	kWh	Not consolidated	Not consolidated	1,879,649
	GJ	Not consolidated	Not consolidated	6,767

Water				
Water Consumption	Cubic Meters (CBM)	1,088,705	1,058,666	1,960,273
Water Consumption Intensity	CBM/Million Php	7.0	5.8	10.1
Emissions				
Direct (Scope 1) GHG Emissions	Metric Tons CO2 equivalent	170,463	136,466	147,545
Scope 1 GHG Emissions from Refrigerants	($MTCO_2e$)	168,702	134,876	146,600
Indirect (Scope 2) GHG Emissions	$MTCO_2e$	198,776	255,045	275,635
Total Scope 1 and 2 GHG Emissions	$MTCO_2e$	369,239	391,511	423,180
Other Indirect (Scope 3) GHG Emissions	$MTCO_2e$	Not collected	Not collected	18,293
Purchased Goods and Services[4]	$MTCO_2e$	Not collected	Not collected	6,062
Waste Generated in Operations[5]	$MTCO_2e$	Not collected	Not collected	3,776
Business Travel[6]	$MTCO_2e$	Not collected	Not collected	79
End-of-life Treatment of Sold Products[7]	$MTCO_2e$	Not collected	Not collected	4,261
Franchisees[8]	$MTCO_2e$	Not collected	Not collected	4,115
GHG Emission Intensity (Scope 1 + Scope 2)	$MTCO_2e$/ Million Php	2.4	2.2	2.2

Waste				
Total Non-hazardous Waste Generated	Kilograms	14,237,742	10,169,308	10,133,531
Compostable	(kg)	7,902,928	5,317,623	4,773,904
Recyclable	kg	5,882,013	4,252,468	4,526,336
Residuals	Kg	452,801	599,217	833,290
Total Hazardous Waste Generated	kg	Not consolidated	Not consolidated	593,696
Used/Waste Oil	kg	Not consolidated	Not consolidated	11,084
Containers previously containing toxic chemical substances	kg	Not consolidated	Not consolidated	574,368
Used batteries (genset battery, AA and AAA batteries, emergency lights battery, computer battery, UPS battery)	Kg	Not consolidated	Not consolidated	2,321
Busted flourescent, LED, Bulbs lamps	kg	Not consolidated	Not consolidated	5,424
Electronic Waste (e-waste)	kg	Not consolidated	Not consolidated	500
Solid Waste Generation Intensity (Total)	Kg/Million Php	91.6	56.1	55.4
Environmental Compliance				
Total amount of monetary fines for non-compliance with environmental laws and/or regulations	Php	0	0	0
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	Count	0	0	0
No. of cases resolved through dispute resolution mechanism	Count	0	0	0

[3]*Electricity consumption for 2021 does not include Uncle John's non-franchise stores.*

[4]*Based on renewable materials (paper bags) and non-renewable materials (plastic bags) consumption.*

[5]*Based on solid waste generation*

[6]*Based on fuel consumption of rented vehicles*

[7]*Based on plastic footprint of sold house brands*

[8]*Based on electricity consumption of Uncle John's franchised stores*

Social

Disclosures	Unit	2021	2022	2023
Employee Demographics				
Total number of permanent employees	Count	20,535	21,495	23,172
By Gender				
Female	Count	14,629	15,281	16,331
Male	Count	5,906	6,214	6,841
By Age Group				
Employees under 30 years old	Count	Not consolidated	8,861	9,875
Employees under 30 - 50 years old	Count	Not consolidated	12,144	12,816
over 50 years old	Count	Not consolidated	490	481
By Rank				
Executives[9]	Count	Not consolidated	88	22
Managers[10]	Count	Not consolidated	7,011	2,098
Supervisors[10]	Count	Not consolidated		8,190
Rank-and-file	Count	Not consolidated	14,396	12,862
By Region				
Luzon (except NCR)	Count	Not consolidated	6,870	7,460
Visayas	Count	Not consolidated	4,250	4,643
Mindanao	Count	Not consolidated	1,961	2,119
National Capital Region (NCR)	Count	Not consolidated	8,414	8,950
Employee New Hires				
Total Employee New Hires	Count	Not consolidated	404	6,686
By Gender				
Female	Count	Not consolidated	302	4,567
Male	Count	Not consolidated	102	2,119
By Age Group				
Under 30 years old	Count	Not consolidated	282	4,451
30 – 50 years old	Count	Not consolidated	120	2,219
Over 50 years old	Count	Not consolidated	2	16
By Rank				
Executives	Count	Not consolidated	Not consolidated	0
Managers	Count	Not consolidated	Not consolidated	245
Supervisors	Count	Not consolidated	Not consolidated	1,835
Rank-and-file	Count	Not consolidated	Not consolidated	4,605
Employee Turnover				
Total Employee Turnover	Count	-	4,057	4,825
Voluntary Turnover Rate	%	9	19	21
By Gender				
Female	Count	Not consolidated	2,918	3,445
Male	Count	Not consolidated	1,139	1,380
By Age Group				
Under 30 years old	Count	Not consolidated	2,371	2,926
30 – 50 years old	Count	Not consolidated	1,655	1,870
Over 50 years old	Count	Not consolidated	31	29

Employee Benefits				
Rate of benefits utilization of female employees				
SSS	%	100	100	41
Philhealth	%	100	100	7
PAG-IBIG	%	100	100	13
Parental Leave	%	0.24	0.42	0.57
Vacation Leave	%	83	51	75
Sick Leave	%	67	25	42
Medical Benefits	%	63	21	83
Rate of benefits utilization of male employees				
SSS	%	100	100	32
Philhealth	%	100	100	2
PAG-IBIG	%	100	100	9
Parental Leave	%	0.86	0.53	0.06
Vacation Leave	%	26	45	74
Sick Leave	%	21	18	35
Medical Benefits	%	26	15	82
Occupational Health and Safety				
Safe Man-Hours	Hours	51,419,640	12,822,656	58,020,224
No. of work-related injuries	Count	0	4	8
No. of work-related fatalities	Count	0	0	0
No. of work-related ill-health	Count	0	0	1
No. of safety drills	Count	0	0	18

Employee Training and Development				
Total training hours provided to employees	Hours	124,308	158,707	239,276
By Gender				
Female	Hours	83,770	125,011	191,417
Male	Hours	40,538	33,477	47,859
By Rank				
Executives	Hours	Not consolidated	Not consolidated	855
Managers	Hours	Not consolidated	Not consolidated	41,088
Supervisors	Hours	Not consolidated	Not consolidated	57,834
Rank-and-file	Hours	Not consolidated	Not consolidated	139,499
Average training hours provided to employees	Hours/employee	6.1	11.6	14.5
By Gender				
Female	Hours/employee	5.5	11.6	15.3
Male	Hours/employee	6.4	11.4	11.5
By Rank				
Executives	Hours/employee	Not consolidated	Not consolidated	9.0
Managers	Hours/employee	Not consolidated	Not consolidated	14.0
Supervisors	Hours/employee	Not consolidated	Not consolidated	10.7
Rank-and-file	Hours/employee	Not consolidated	Not consolidated	17.3

Diversity and Equal Opportunity				
Percentage of female employees in the workforce	%	71.2	71.1	70.5
Percentage of male employees in the workforce	%	28.8	28.9	29.5
Percentage of female employees in executive-level positions	%	63.0	56.8	54.5
Percentage of male employees in executive-level positions	%	37.0	43.2	45.5
Percentage of female employees in managerial roles[10]	%	66.9	63.5	65.9
Percentage of female employees in supervisory roles[10]	%			66.1
Percentage of male employees in managerial roles[10]	%	33.1	36.5	34.1
Percentage of male employees in supervisory roles[10]	%			33.9
Percentage of female employees in rank-and-file positions	%	74.2	74.9	74.0
Percentage of male employees in rank-and-file positions	%	25.8	25.1	26.0
Number of employees from indigenous communities and/or vulnerable sector[s11]	Count	23	23	23
Labor Management Relations				
Percentage of employees covered with Collective Bargaining Agreements	%	7.5	5.9	5.9

[9]*Pending note from HR*

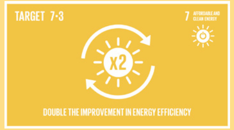
[10]*Managers and supervisors separated from the breakdown according to rank in 2023 to align with the practice of central HR*

[11]*Vulnerable sector includes the 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). The count of employees declared are the PWDs from Southstar Drug (SSD).*

Materiality Index

This report has been prepared in reference to the Global Reporting Initiative (GRI) standards, the Sustainability Accounting Standards Board (SASB), and the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards - IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. In the coming years, we will be increasing our disclosures in line with these reporting standards.

Material Topics	GRI Standards		SASB Standards		IFRS Sustainability Disclosure Standard 2		UNSDG Targets	Page Number or Response
ESG Focus Area: Robust Environmental Action								
Emissions and Climate Strategy	**GRI 305: Emissions 2016**	305-1 Direct (Scope 1) GHG emissions			**Metrics and Targets**	IFRS S2.29a (i) Scope 1 GHG emissions Scope 2 GHG emissions Scope 3 GHG emissions		pp. 24, 62, 77
		305-2 Energy indirect (Scope 2) GHG emissions						pp. 24, 62, 77
		305-3 Other indirect (Scope 3) GHG emissions						pp. 24, 62, 77
		305-4 GHG Emissions Intensity						pp. 24, 62, 77
			Food Retailers & Distributors	FB-FR-110b.1 Gross Global Emissions from Refrigerants			  	p. 77
					Governance	IFRS S2.6 a The governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities.		p. 61
						IFRS S2.6 b Management's role in the governance processes, controls, and procedures used to monitor, manage, and oversee climate-related risks and opportunities		p. 61
					Strategy	IFRS S2.10 a, b, c, d An entity shall disclose information that enables users of general-purpose, financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects		pp. 27-31
						IFRS S2.13 a, b An entity shall disclose information that enables users of general-purpose financial reports to understand the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain		pp. 27-31
					Risk Management	IFRS S2.25 a The processes and related policies the entity uses to identify, assess, prioritize, and monitor climate-related risks		pp. 60-61
						IFRS S2.25 b The processes the entity uses to identify, assess, prioritize, and monitor climate-related opportunities		pp. 60-61
						IFRS S2.25 c the extent to which, and how, the processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process		pp. 60-61

Material Topics	GRI Standards		SASB Standards		IFRS Sustainability Disclosure Standard 2	UNSDG Targets	Page Number or Response
ESG Focus Area: Robust Environmental Action							
Energy Management	**GRI 302: Energy 2016**	302-1 Energy consumption within the organization	**Food Retailers & Distributors** **Drug Retailers** **Multiline & Specialty Retailers and Distributors**	FB-FR-130a.1, HC-DR-130a.1, CG-MR-130a.1 (1) Total energy consumed/Operational energy consumed, (2) percentage grid electricity, (3) percentage renewable			pp. 24, 76
		302-3 Energy intensity					pp. 24, 76
			Food Retailers & Distributors	FB-FR-110a.1 Fleet fuel consumed, percentage renewable			pp. 76, 0% renewable
Waste Management	**GRI 306: Waste 2020**	306-3 Waste generated					We were not able to gather yet the total amount of food waste generated but we declared a total of 23,000 kilograms of food waste diverted from disposal on page pp. 31-32, 77.
			Food Retailers & Distributors	FB-FR-150a.1 Amount of food waste generated, percentage diverted from the waste stream			
Water Management	**GRI 303: Water and Effluents 2016**	303-5 Water consumption					pp. 25, 77
Materials Consumption	**GRI 301: Materials 2016**	301-1 Materials used by weight or volume					pp. 32, 76
Diversity and Inclusion	**GRI 2: General Disclosures 2021**	2-7 Employees					pp. 21, 78
	GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	**Multiline & Specialty Retailers and Distributors**	CG-MR-330a.1 Percentage of gender and racial/ethnic group representation for (1) management and (2) all other employees			pp. 21, 78, 80

Material Topics	GRI Standards		SASB Standards		IFRS Sustainability Disclosure Standard 2		UNSDG Targets	Page Number or Response
ESG Focus Area: Relationship with Our People and Communities								
Diversity and Inclusion	**GRI 406: Non-discrimination 2016**	406-1 Incidents of discrimination and corrective actions taken	**Food Retailers & Distributors** **Multiline & Specialty Retailers and Distributors**	FB-FR-310a.4, CG-MR-330a.2 Total amount of monetary losses as a result of legal proceedings associated with employment discrimination				0
Training and Development	**GRI 404: Training and Education 2016**	404-1 Average hours of training per year per employee						pp. 23, 79
Employee Engagement and Labor Practices	**GRI 401: Employment 2016**	401-1 New employee hires and employee turnover						p. 78; Restated 2022 attrition values since the previous values included temporary employees.
		401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees						
		401-3 Parental leave						
	GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	**Food Retailers & Distributors**	FB-FR-310a.2 Percentage of active workforce covered under collective bargaining agreements				p. 80
			Food Retailers & Distributors **Multiline & Specialty Retailers and Distributors**	FB-FR-310a.4, CG-MR-310a.3 Total amount of monetary losses as a result of legal proceedings associated with labor law violations				0
Occupational Health and Safety	**GRI 403: Occupational Health and Safety 2018**	403-9 Work-related injuries						pp. 22, 79; Restated value, together with fatality value due to the nature of the incidents not falling under the definition using GRI standards
		403-10 Work-related ill health						
Local Community Development	**GRI 413: Local Communities 2016**	413-1 Operations with local community engagement, impact assessments, and development programs						

Material Topics	GRI Standards		SASB Standards		IFRS Sustainability Disclosure Standard 2		UNSDG Targets	Page Number or Response
ESG Focus Area: Responsible Retailing								
Product Marketing, Labeling, and Packaging	**GRI 417: Marketing and Labeling 2016**	417-2 Incidents of non-compliance concerning product and service information and labeling	**Food Retailers & Distributors**	FB-FR-270a.1 Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes				0
		417-3 Incidents of non-compliance concerning marketing communications						0
				FB-FR-270a.2 Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices				0
Product Health, Safety, and Nutrition	**GRI 416: Customer Health and Safety 2016**	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services						0
			Food Retailers & Distributors	FB-FR-260a.1 Revenue from products labeled and/or marketed to promote health and nutrition attributes				Will be reported 1-2 years from now.
			Multiline & Specialty Retailers and Distributors	CG-MR-410a.3 Discussion of strategies to reduce the environmental impact of packaging				pp. 32, 35
Product Sourcing	**GRI 308: Supplier Environmental Assessment 2016**	308-1 New suppliers that were screened using environmental criteria	**Food Retailers & Distributors** **Multiline & Specialty Retailers and Distributors**	FB-FR-430a.1, CG-MR-410a.1 Revenue from products third-party certified to environmental or social sustainability sourcing standard				Supplier ESG questionnaire will be distributed to the top suppliers of the Supermarket and Drugstore segments in 2024. We will report the progress in the next report.
	GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria						
Data Privacy	**GRI 418: Customer Privacy 2016**	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	**Food Retailers & Distributors** **Drug Retailers** **Multiline & Specialty Retailers and Distributors**	FB-FR-230a.1, HC-DR-230a.2, CG-MR-230a.2 (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of customers affected				0

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Independent Limited Assurance Report

The Stockholders and Board of Directors
Robinsons Retail Holdings, Inc.
110 E. Rodriguez, Jr. Avenue, Bagumbayan
Quezon City, Philippines 1110

Scope
We have been engaged by Robinsons Retail Holdings, Inc. (RRHI) to perform a 'limited assurance engagement', as defined by Philippine Standard on Assurance Engagements 3000 (Revised) [PSAE 3000 (Revised)], *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, here after referred to as the engagement, to report on selected sustainability information as detailed below (the "Subject Matter") contained in the RRHI 2023 Sustainability Report for the year ended December 31, 2023 (the "Report")

Subject Matter
The Subject Matter includes the following selected economic, environmental, social and governance (EESG) indicators which are covered in our limited assurance engagement:

A. Economic
  a. GRI 201: Economic Performance 2016
    i. 201-1 Direct economic value generated and distributed

B. Environmental
  a. GRI 301: Materials 2016
    i. 301-1 Materials used by weight or volume
  b. GRI 302: Energy 2016
    i. 302-1 Energy consumption within the organization
  c. GRI 303: Water and Effluents 2016
    i. 303-5 Water consumption
  d. GRI 305: Emissions 2016
    i. 305-1 Direct (Scope 1) GHG emissions
    ii. 305-2 Energy indirect (Scope 2) GHG emissions
  e. GRI 306: Waste 2020
    i. 306-3 Waste generated

C. Social
  a. GRI 401: Employment 2016
    i. 401-1 New employee hires and employee turnover
    ii. 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
  b. GRI 403: Occupational Health and Safety 2018
    i. 403-9 Work-related injuries
    ii. 403-10 Work-related ill health
  c. GRI 404: Training and Education 2016
    i. 404-1 Average hours of training per year per employee
  d. GRI 405: Diversity and Equal Opportunity 2016
    i. 405-1 Diversity of governance bodies and employees

D. Governance
  a. GRI 205: Anti-corruption 2016
    i. 205-2 Communication and training about anti-corruption policies and procedures

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by RRHI
In preparing the Subject Matter, RRHI applied in reference the Global Reporting Initiative (GRI) Standards (Criteria).

RRHI's responsibilities
RRHI's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

SGV's responsibilities
Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *Philippines Standard on Assurance Engagements* 3000 (Revised) [PSAE 3000 (Revised)], *Assurance Engagements Other than Audits or Reviews of Historical Financial Information,* and the terms of reference for this engagement as agreed with RRHI on January 8, 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality control
We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the Professional Regulation Commission and have the required competencies and experience to conduct this assurance engagement.

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SGV also applies Philippine Standard on Quality Management 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed
Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other appropriate procedures.

We performed the following procedures:

1. Interviewed the management and relevant process owners to:
   a. Understand the principal business operations.
   b. Appreciate the key sustainability issues and developments related to the Subject Matter.
   c. Understand the processes for the collection, processing and accurate reporting of EESG information.
   d. Identify the data providers with their responsibilities.
   e. Recognize the likelihood of possible manipulation of sustainability data.

2. Checked the accuracy of calculations performed.

3. Performed analytical tests and obtained documentation/reports on a sampling basis to test assumptions, estimations, and computations made by management in relation to the Subject Matter in the Report.

4. Tested that the data and statements had been correctly transcribed from corporate systems and/or supporting evidence into the Report.

5. Reviewed the disclosure contents of the Report to check compliance with the Criteria.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion
Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended

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December 31, 2023, in order for it to be in accordance with the Criteria.

SYCIP, GORRES, VELAYO & CO.

Benjamin N. Villacorte

Benjamin N. Villacorte
Partner
CPA Certificate No. 111562
PTR No. 10082034, January 6, 2024,
Makati City

May 7, 2024

Financial Statements

ROBINSONS RETAIL HOLDINGS, INC.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Robinsons Retail Holdings, Inc. and Subsidiaries** is responsible for all information and representations contained in the financial statements for the year ended **December 31, 2023, 2022 and 2021**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Sycip Gorres Velayo & Co., the independent auditors and appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Lance Y. Gokongwei
Chairman

Robina Gokongwei Pe
President & Chief Executive Officer

Mylene A. Kasiban
Chief Financial Officer

Graciela A. Banatao
Treasurer

Signed this 22 MAR 2024 day of March 2024.

ROBINSONS RETAIL HOLDINGS, INC.
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ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
QUEZON CITY) S.S.

SUBSCRIBED AND SWORN TO before me, a Notary Public, personally appeared and exhibiting to me the following:

NAME	COMPETENT EVIDENCE OF IDENTITY	DATE/PLACE ISSUED
Lance Y. Gokongwei	[redacted]	
Robina Gokongwei Pe	[redacted]	
Mylene A. Kasiban	[redacted]	September 22, 2022 / Quezon City
Graciela Banatao	[redacted]	December 17, 2022 / Manila

Known to me and known to be the same persons who executed the foregoing instrument, and they acknowledged to me that the same is their free and voluntary act and deed, and the free and voluntary act and deed of the corporations they respectively represent.

This Document consists of 2 pages including this page where the acknowledgement is written, to which the Annexes have been attached. Each page of this agreement has been signed by the parties and their instrumental witnesses and sealed with my notarial seal.

WITNESS MY HAND AND SEAL on the date and at the place hereinabove mentioned.

Doc No.: 27
Page No.: 4
Book No.: VII
Series of 2024.

Mariper Aguilar
ATTY. MARIPER B. AGUILAR
Notary Public for Quezon City
Until December 31, 2025
IBP No. 390487 - Jan. 3, 2024
MCLE Compliance No. VII-00016
Appointment No. N-93 (2024-2025)
PTR No. 5555049 Jan. 2, 2024
Quezon City Roll No. 73209
28 Baker St., Fairmond Subd., Brg.
North Fairview, Quezon City

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Robinsons Retail Holdings, Inc.
110 E. Rodriguez, Jr. Avenue,
Bagumbayan, Quezon City

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Robinsons Retail Holdings, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Group Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Existence and completeness of inventory

The Group's inventories amounted to ₱29.67 billion which comprise 19% of its total assets as of December 31, 2023, as disclosed in Note 9 of the consolidated financial statements. The Group has 2,393 owned stores and warehouses throughout the country as of December 31, 2023. We focused on this area since inventories are material to the consolidated financial statements and are located in various sites across the country.

Audit Response

We obtained an understanding of the inventory management process including inventory count procedures. We assessed and tested the relevant inventory controls, and observed the conduct of the inventory count procedures for selected stores and warehouses and performed test counts. We traced the results of the test counts to the inventory compilation to determine if the inventory compilation reflects actual inventory count results. We also traced the last documents used for shipping, receiving, and transfers which were obtained during the inventory count observation to the accounting records of sales and purchases. We reviewed the reconciliation of the valued physical inventory compilation with the general ledger account balances and on a sampling basis, traced to supporting documents the reconciling items. We reviewed the rollforward or roll backward procedures performed by management and, on a sampling basis, we tested the intervening transactions from the date of inventory count to reporting date.

Impairment assessment of trademarks and goodwill

Under PFRS, the Group is required to annually test for impairment the amount of trademarks with indefinite useful lives and goodwill. As of December 31, 2023, the Group's trademarks amounted to ₱7.95 billion and goodwill arising from business combinations amounted to ₱14.73 billion. These are considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and estimation and is based on assumptions which are subject to higher level of estimation uncertainty, specifically gross margins, revenue growth and discount rates for value-in-use calculation, and selected comparable entities for EV/EBITDA (enterprise value/earnings before interest, taxes, depreciation and amortization) multiple.

The Group's disclosures about trademarks and goodwill are included in Notes 5, 14 and 19 to the consolidated financial statements.

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Audit Response

We involved our internal specialist in evaluating the methodologies and the assumptions used and performed a recalculation of the value-in-use and EV/EBITDA multiple provided. For value-in-use, we compared the key assumptions used, such as revenue growth rate and gross margin against the historical performance of the CGU, industry/market outlook, and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. For EV/EBITDA, we assessed if the comparable entities selected by the Group closely represent each cash generating unit to which the intangible asset is allocated.

We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amounts of trademarks and goodwill.

Other Information

Management is responsible for the other information. The other information comprises the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when they become available and, in doing so, consider whether the other information are materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appear to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these the consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is John T. Villa.

SYCIP GORRES VELAYO & CO.

John T. Villa
Partner
CPA Certificate No. 94065
Tax Identification No. 901-617-005
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-076-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10082033, January 6, 2024, Makati City

March 22, 2024

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Notes 7 and 27)	**₱13,172,501,481**	₱17,766,987,346
Trade and other receivables (Notes 8, 24, 27 and 29)	**3,948,336,866**	3,527,552,514
Merchandise inventories (Note 9)	**29,668,487,299**	27,469,818,076
Other current assets (Note 10)	**1,682,006,173**	2,434,118,767
	48,471,331,819	51,198,476,703
Noncurrent Assets Held For Sale (Note 13)	**8,318,381,007**	8,318,381,007
Noncurrent Assets		
Debt and equity instrument financial assets (Notes 11 and 27)	**26,411,044,047**	8,965,043,768
Property and equipment (Note 12)	**23,392,381,560**	22,647,559,783
Right-of-use assets (Note 28)	**19,913,623,871**	22,154,925,469
Investment in associates (Note 13)	**1,721,329,651**	1,635,146,466
Intangible assets (Notes 14 and 19)	**22,679,858,042**	22,645,616,385
Deferred tax assets – net (Note 25)	**1,453,142,872**	1,272,895,980
Retirement plan asset (Notes 22 and 23)	**166,454,912**	290,531,620
Other noncurrent assets (Notes 15 and 27)	**2,495,368,160**	2,397,560,807
	98,233,203,115	82,009,280,278
	₱155,022,915,941	₱141,526,137,988
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Notes 16, 24 and 27)	**₱26,898,586,030**	₱27,490,345,252
Short-term loans payable (Notes 17 and 27)	**8,129,000,000**	8,409,000,000
Lease liabilities – current portion (Note 28)	**3,586,524,281**	3,500,576,587
Income tax payable	**144,920,862**	154,839,061
Other current liabilities (Note 27)	**514,002,010**	542,609,390
	39,273,033,183	40,097,370,290
Noncurrent Liabilities		
Lease liabilities – net of current portion (Note 28)	**20,458,068,196**	22,523,077,675
Loans payable (Notes 17 and 27)	**13,240,161,663**	–
Deferred tax liabilities – net (Note 25)	**2,065,341,944**	2,052,932,515
Retirement obligation (Notes 22 and 23)	**608,418,913**	279,090,496
	36,371,990,716	24,855,100,686
	75,645,023,899	64,952,470,976
Equity (Note 18)		
Capital stock	**1,576,489,360**	1,576,489,360
Additional paid-in capital	**40,768,202,897**	40,768,202,897
Treasury stock	**(6,410,402,228)**	(5,425,324,182)
Other comprehensive income (loss) (Notes 11, 13 and 23)	**2,266,083,092**	(417,678,756)
Equity reserve	**(742,678,028)**	(742,678,028)
Retained earnings (Note 18)		
Appropriated	**16,405,752,847**	17,277,752,847
Unappropriated	**21,416,540,368**	19,392,171,193
Total equity attributable to equity holders of the Parent Company	**75,279,988,308**	72,428,935,331
Non-controlling interest in consolidated subsidiaries	**4,097,903,734**	4,144,731,681
	79,377,892,042	76,573,667,012
	₱155,022,915,941	₱141,526,137,988

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2023	2022	2021
SALES – Net of sales discounts and returns (Notes 6, 20 and 24)	**₱192,125,861,609**	₱178,821,069,060	₱153,327,360,466
COST OF MERCHANDISE SOLD (Notes 6 and 9)	**146,525,751,582**	136,538,881,790	118,101,349,532
GROSS PROFIT (Note 6)	**45,600,110,027**	42,282,187,270	35,226,010,934
ROYALTY, RENT AND OTHER REVENUE (Notes 6, 20, 24, 28 and 29)	**1,189,475,583**	1,159,343,047	869,963,952
GROSS PROFIT INCLUDING OTHER REVENUE (Note 6)	**46,789,585,610**	43,441,530,317	36,095,974,886
OPERATING EXPENSES (Notes 21, 22, 23, 28 and 29)	**(37,847,703,797)**	(34,743,107,151)	(30,036,523,571)
OTHER INCOME (CHARGES)			
Interest income (Notes 6, 7 and 11)	**256,539,596**	389,738,492	446,828,491
Equity in net earnings (losses) in associates (Notes 6 and 13)	**(821,268,143)**	13,706,659	292,071,188
Dividend income (Notes 6, 11 and 13)	**1,263,746,088**	293,940,980	76,941,788
Foreign currency exchange gains (loss) – net (Note 6)	**(64,811,987)**	357,092,695	230,024,576
Interest expense (Notes 6, 17 and 28)	**(3,122,961,869)**	(1,988,135,849)	(1,960,893,202)
Others (Notes 11, 14, 19 and 28)	**(280,410,025)**	222,449,586	124,654,828
	(2,769,166,340)	(711,207,437)	(790,372,331)
INCOME BEFORE INCOME TAX (Note 6)	**6,172,715,473**	7,987,215,729	5,269,078,984
PROVISION FOR INCOME TAX (Note 25)			
Current	**1,620,387,824**	1,636,402,421	1,122,465,120
Deferred	**(96,847,231)**	(85,234,520)	(703,827,609)
	1,523,540,593	1,551,167,901	418,637,511
NET INCOME	**4,649,174,880**	6,436,047,828	4,850,441,473
OTHER COMPREHENSIVE INCOME			
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of debt securities at fair value through other comprehensive income (FVOCI) (Note 11)	**(173,534,451)**	(1,005,054,395)	141,611,784
Share in changes in fair value of debt financial assets in associates (Note 13)	–	96,151,121	(453,700,424)
Share in changes in translation adjustment in investment entities	**126,670,591**	19,837,466	49,301,149
Income tax effect	–	(24,621,736)	108,632,686
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:			
Changes in fair value of equity securities at FVOCI (Note 11)	**2,975,568,299**	(97,596,249)	7,783,750
Share in actuarial gain (losses) on retirement obligation in associates (Note 13)	–	20,190,697	(745,075)
Remeasurement gain (losses) on retirement obligation (Note 23)	**(336,299,975)**	241,543,942	345,526,680
Income tax effect	**76,412,034**	(65,404,977)	(173,604,904)
	2,668,816,498	(814,954,131)	24,805,646
TOTAL COMPREHENSIVE INCOME	**₱7,317,991,378**	₱5,621,093,697	₱4,875,247,119

(Forward)

	Years Ended December 31		
	2023	2022	2021
Net income attributable to:			
Equity holders of the Parent Company	**₱4,097,068,755**	₱5,847,403,159	₱4,527,833,319
Non-controlling interest in consolidated subsidiaries	**552,106,125**	588,644,669	322,608,154
	₱4,649,174,880	₱6,436,047,828	₱4,850,441,473
Total comprehensive income attributable to:			
Equity holders of the Parent Company	**₱6,780,830,603**	₱4,987,027,366	₱4,536,235,276
Non-controlling interest in consolidated subsidiaries	**537,160,775**	634,066,331	339,011,843
	₱7,317,991,378	₱5,621,093,697	₱4,875,247,119
Basic/Diluted Earnings Per Share (Note 26)	**₱2.78**	₱3.93	₱2.95

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Total Equity Attributable to Equity Holders of the Parent Company								Non-controlling Interest in Consolidated Subsidiaries	
						Retained Earnings				
	Capital Stock (Note 18)	Additional Paid-in Capital (Note 18)	Treasury Stock (Note 18)	Other Comprehensive Income (Loss) (Notes 11, 13,and 23)	Equity Reserve (Note 18)	Appropriated (Note 18)	Unappropriated (Note 18)	Total	(Note 18)	Total
For the Year Ended December 31, 2023										
Balance at beginning of year	**₱1,576,489,360**	**₱40,768,202,897**	**(₱5,425,324,182)**	**(₱417,678,756)**	**(₱742,678,028)**	**₱17,277,752,847**	**₱19,392,171,193**	**₱72,428,935,331**	**₱4,144,731,681**	**₱76,573,667,012**
Net income	–	–	–	–	–	–	**4,097,068,755**	**4,097,068,755**	**552,106,125**	**4,649,174,880**
Other comprehensive income	–	–	–	**2,683,761,848**	–	–	–	**2,683,761,848**	**(14,945,350)**	**2,668,816,498**
Total comprehensive income	–	–	–	**2,683,761,848**	–	–	**4,097,068,755**	**6,780,830,603**	**537,160,775**	**7,317,991,378**
Dividends declared	–	–	–	–	–	–	**(2,944,699,580)**	**(2,944,699,580)**	**(583,988,722)**	**(3,528,688,302)**
Appropriation	–	–	–	–	–	**332,000,000**	**(332,000,000)**	–	–	–
Reversal of appropriations	–	–	–	–	–	**(1,204,000,000)**	**1,204,000,000**	–	–	–
Purchase of treasury shares	–	–	**(985,078,046)**	–	–	–	–	**(985,078,046)**	–	**(985,078,046)**
Balance at end of year	**₱1,576,489,360**	**₱40,768,202,897**	**(₱6,410,402,228)**	**₱2,266,083,092**	**(₱742,678,028)**	**₱16,405,752,847**	**₱21,416,540,368**	**₱75,279,988,308**	**₱4,097,903,734**	**₱79,377,892,042**
For the Year Ended December 31, 2022										
Balance at beginning of year	₱1,576,489,360	₱40,768,202,897	(₱3,616,057,963)	₱442,697,037	(995,284,977)	₱23,965,752,847	₱9,827,278,268	₱71,969,077,469	₱4,543,640,152	₱76,512,717,621
Net income	–	–	–	–	–	–	5,847,403,159	5,847,403,159	588,644,669	6,436,047,828
Other comprehensive income	–	–	–	(860,375,793)	–	–	–	(860,375,793)	45,421,662	(814,954,131)
Total comprehensive income	–	–	–	(860,375,793)	–	–	5,847,403,159	4,987,027,366	634,066,331	5,621,093,697
Purchase of treasury shares	–	–	(1,809,266,219)	–	–	–	–	(1,809,266,219)	–	(1,809,266,219)
Dividends declared (Note 18)	–	–	–	–	–	–	(2,984,905,600)	(2,984,905,600)	(452,166,885)	(3,437,072,485)
Appropriations	–	–	–	–	–	1,528,000,000	(1,528,000,000)	–	–	–
Acquisition of non-controlling interest	–	–	–	–	252,606,949	–	–	252,606,949	(593,057,917)	(340,450,968)
Disposal of debt securities	–	–	–	–	–	–	14,395,366	14,395,366	–	14,395,366
Investment by NCI in a subsidiary	–	–	–	–	–	–	–	–	12,250,000	12,250,000
Reversal of appropriations	–	–	–	–	–	(8,216,000,000)	8,216,000,000	–	–	–
Balance at end of year	₱1,576,489,360	₱40,768,202,897	(₱5,425,324,182)	(₱417,678,756)	(₱742,678,028)	₱17,277,752,847	₱19,392,171,193	₱72,428,935,331	₱4,144,731,681	₱76,573,667,012
For the Year Ended December 31, 2021										
Balance at beginning of year	₱1,576,489,360	₱40,768,202,897	(₱810,018,635)	₱434,295,080	(₱995,284,977)	₱27,852,852,847	₱4,225,869,025	₱73,052,405,597	₱4,537,828,657	₱77,590,234,254
Net income	–	–	–	–	–	–	4,527,833,319	4,527,833,319	322,608,154	4,850,441,473
Other comprehensive income	–	–	–	8,401,957	–	–	–	8,401,957	16,403,689	24,805,646
Total comprehensive income	–	–	–	8,401,957	–	–	4,527,833,319	4,536,235,276	339,011,843	4,875,247,119
Purchase of treasury shares	–	–	(2,806,039,328)	–	–	–	–	(2,806,039,328)	–	(2,806,039,328)
Dividends declared (Note 18)	–	–	–	–	–	–	(2,813,524,076)	(2,813,524,076)	(333,200,348)	(3,146,724,424)
Appropriations	–	–	–	–	–	888,500,000	(888,500,000)	–	–	–
Reversal of appropriations	–	–	–	–	–	(4,775,600,000)	4,775,600,000	–	–	–
Balance at end of year	₱1,576,489,360	₱40,768,202,897	(₱3,616,057,963)	₱442,697,037	(995,284,977)	₱23,965,752,847	₱9,827,278,268	₱71,969,077,469	₱4,543,640,152	₱76,512,717,621

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱6,172,715,473**	₱7,987,215,729	₱5,269,078,984
Adjustments for:			
Depreciation and amortization (Notes 6, 12, 14, 21 and 28)	**7,499,945,134**	7,179,629,553	7,087,772,782
Interest expense (Notes 6, 17 and 28)	**3,122,961,869**	1,988,135,849	1,960,893,202
Equity in net losses (earnings) in associates (Notes 6 and 13)	**821,268,143**	(13,706,659)	(292,071,188)
Retirement expense (Notes 22 and 23)	**316,808,554**	200,723,439	283,797,024
Loss on write-off of investment (Note 13)	**220,177,920**	–	–
Unrealized foreign currency exchange loss (gain) – net (Note 6)	**56,964,836**	(357,092,695)	(230,024,576)
Provision for inventory obsolescence (Note 9)	**4,774,615**	62,513,748	61,815,286
Provision for (reversal of) expected credit losses (Notes 8 and 11)	**4,182,856**	(3,000,953)	7,931,961
Dividend income (Notes 6 and 11)	**(1,263,746,088)**	(293,940,980)	(76,941,788)
Interest income (Notes 6, 7, 11 and 15)	**(256,539,596)**	(389,738,492)	(446,828,491)
Gain on derecognition of lease liability (Note 28)	**(129,554,416)**	(153,255,325)	(841,561,003)
Gain on sale of debt instruments at FVOCI (Note 11)	**–**	(74,112,010)	(21,902,517)
Operating income before working capital changes	**16,569,959,300**	16,133,371,204	12,761,959,676
Decrease (increase) in:			
Trade and other receivables	**(99,906,994)**	(721,110,560)	299,206,452
Merchandise inventories	**(2,203,443,838)**	(2,442,667,006)	(2,917,040,822)
Other current assets	**752,112,595**	555,276,060	(333,680,566)
Increase (decrease) in:			
Trade and other payables	**1,482,366,976**	3,919,688,297	(2,010,029,332)
Other current liabilities	**(28,607,380)**	160,253,554	127,074,200
Net cash flows generated from operations	**16,472,480,659**	17,604,811,549	7,927,489,608
Interest received	**322,250,862**	404,561,437	440,950,303
Retirement contributions and benefits paid (Note 23)	**(199,703,404)**	(219,547,833)	(238,300,305)
Income tax paid	**(1,630,306,023)**	(1,710,112,971)	(945,692,716)
Net cash flows provided by operating activities	**14,964,722,094**	16,079,712,182	7,184,446,890

(Forward)

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	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of:			
Investment in associates (Note 13)	**(₱1,004,114,977)**	(₱965,868,125)	(₱453,837,730)
Debt and equity instrument financial assets (Note 11)	**(19,756,001,036)**	(207,445,970)	(2,250,616,149)
Property and equipment (Note 12)	**(6,517,046,012)**	(5,551,329,355)	(2,456,934,404)
Proceeds from disposals of debt and equity instrument financial assets (Note 11)	**5,054,158,209**	2,119,292,329	5,011,709,237
Dividends received (Note 11)	**886,369,466**	293,940,980	76,941,788
Acquisitions from non-controlling interest (Notes 2 and 18)	**–**	(340,450,968)	–
Decrease (increase) in other noncurrent assets	**(97,807,353)**	64,731,313	(197,600,845)
Net cash flows used in investing activities	**(21,434,441,703)**	(4,587,129,796)	(270,338,103)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan availments (Notes 17 and 30)	**29,572,734,471**	5,395,000,000	3,550,000,000
Purchase of treasury shares (Note 18)	**(985,078,046)**	(1,821,678,154)	(2,801,153,087)
Interest paid (Notes 17 and 30)	**(1,223,879,691)**	(225,569,729)	(159,266,022)
Dividends paid (Notes 18 and 30)	**(3,528,688,302)**	(3,437,072,485)	(3,146,724,424)
Lease payments (Notes 28 and 30)	**(5,316,587,585)**	(5,100,560,833)	(4,130,853,486)
Payment of loans (Notes 17 and 30)	**(16,628,909,471)**	(4,720,000,000)	(5,400,000,000)
Additional investments from non-controlling interest (Notes 2 and 18)	**–**	12,250,000	–
Net cash flows provided by (used in) financing activities	**1,889,591,376**	(9,897,631,201)	(12,087,997,019)
EFFECTS OF FOREIGN EXCHANGE RATE ON CASH AND CASH EQUIVALENTS	**(14,357,632)**	1,922,476	5,583,356
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(4,594,485,865)**	1,596,873,661	(5,168,304,876)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**17,766,987,346**	16,170,113,685	21,338,418,561
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 7)	**₱13,172,501,481**	₱17,766,987,346	₱16,170,113,685

See accompanying Notes to Consolidated Financial Statements.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Robinsons Retail Holdings, Inc., (herein referred to as either “RRHI” or the “Parent Company”) is a stock corporation organized under the laws of the Philippines. The Parent Company was registered with the Philippine Securities and Exchange Commission (SEC) on February 4, 2002. The Parent Company’s common stock was listed with the Philippine Stock Exchange (PSE) on November 11, 2013, the Parent Company’s initial public offering (IPO).

The primary purpose of the Parent Company and its subsidiaries (herein referred to as “the Group”) is to engage in the business of trading goods, commodities and merchandise of any kind.

As of December 31, 2023, the Parent Company is 33.71% owned by JE Holdings, Inc., 25.59% by PCD Nominee Corporation and 21.63% by Dairy Farm International Holdings, Ltd. Through its subsidiary GCH Investments Pte. Ltd., and the rest by the public.

The Board of Directors and shareholders of the Parent Company approved to change its registered office address on March 10, 2023 and May 12, 2023, respectively, from 43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda St., Ortigas Center, Pasig City, Metro Manila to 110 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City. The change was approved by the SEC on December 7, 2023..

2. Basis of Preparation and Statement of Compliance

The consolidated financial statements have been prepared under the historical cost basis, except for financial assets at FVTPL, financial assets at FVOCI and retirement plan assets, which are measured at fair value. The consolidated financial statements are presented in Philippine Peso (₱), the Parent Company’s functional and presentation currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Statement of Compliance
The consolidated financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Basis of Consolidation
The consolidated financial statements as of December 31, 2023 and 2022 and for each of the three (3) years in the period ended December 31, 2023 represent the consolidation of the financial statements of RRHI and the following subsidiaries directly and indirectly owned by the Parent Company.

	Effective Percentages of Ownership					
	2023		2022		2021	
Investee Companies	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
Robinson’s Supermarket Corporation (RSC)	100.00%	–	100.00%	–	100.00%	–
Consolidated Global Imports, Inc. (CGII)	–	–	–	100.00%	–	100.00%
Robinsons Appliances Corp. (RAC)	–	67.00%	–	67.00%	–	67.00%
Robinsons Ventures Corporation (RVC)	–	65.00%	–	65.00%	–	65.00%
Robinsons Convenience Stores, Inc. (RCSI/Ministop)	–	–	–	100.00%	–	60.00%
Savers Electronic World, Inc. (SEWI)	–	90.00%	–	90.00%	–	90.00%
Super50 Corporation (Super50)	–	51.00%	–	51.00%	–	51.00%
VKD Holdings, Inc. (VHI)	–	–	–	100.00%	–	–

(Forward)

	Effective Percentages of Ownership					
	2023		2022		2021	
Investee Companies	**Direct**	**Indirect**	Direct	Indirect	Direct	Indirect
South Star Drug, Inc. (SSDI)	–	90.00%	–	90.00%	–	90.00%
TGP Pharma, Inc. (TGPPI)	–	45.90%	–	45.90%	–	45.90%
TheGenerics Pharmacy Inc. (TPI)	–	45.90%	–	45.90%	–	45.90%
Rose Pharmacy, Inc. (RPI)	–	90.00%	–	90.00%	–	90.00%
Robinson’s Handyman, Inc. (RHMI)	–	80.00%	–	80.00%	–	80.00%
Handyman Express Mart, Inc. (HEMI)	–	52.00%	–	52.00%	–	52.00%
Waltermart-Handyman, Inc. (WHI)	–	52.00%	–	52.00%	–	52.00%
Robinsons True Serve Hardware Philippines, Inc. (RTSHPI)	–	53.33%	–	53.33%	–	53.33%
RHI Builders and Contractors Depot Corp. (RHIB)	–	80.00%	–	80.00%	–	53.60%
Home Plus Trading Depot, Inc. (HPTDI)	–	60.00%	–	60.00%	–	40.20%
Robinsons Lifestyle Stores, Inc. (RLSI)	–	–	–	80.00%	–	80.00%
Sole Fashion, Inc. (SFI)	–	98.00%	–	–	–	–
Everyday Convenience Stores, Inc. (ECSI)	100.00%	–	100.00%	–	100.00%	–
Robinsons Daiso Diversified Corp. (RDDC)	90.00%	–	90.00%	–	90.00%	–
RHD Daiso-Saizen, Inc. (RHDDS)	59.40%	–	59.40%	–	59.40%	–
RHMI Management and Consulting, Inc.	–	–	–	–	100.00%	–
RRHI Management and Consulting, Inc.	–	–	–	–	100.00%	–
RRG Trademarks and Private Labels, Inc.	–	–	–	–	100.00%	–
RRHI Trademarks Management, Inc. (RRHI-TMI)	100.00%	–	100.00%	–	100.00%	–
New Day Ventures Limited (NDV Limited)	100.00%	–	100.00%	–	100.00%	–

All subsidiaries are incorporated in the Philippines and the functional currency is the Philippine Peso (₱) except for NDV Limited which is incorporated in British Virgin Islands (BVI) and the functional currency is US Dollar ($).

Investments and Acquisitions
On October 16, 2023, RSC acquired 98% ownership in Sole Fashion Inc. (SFI) for a total consideration of ₱141.54 million. SFI is incorporated in the Philippines to engage in the business of buying, selling, distributing, and marketing, on a wholesale and retail basis insofar as may be permitted by law, ready to wear sporting goods, clothing, footwear, and other related items and merchandise and operate and manage sneaker cleaning kiosks and sports facilities.

On July 1, 2022, RHMI purchased the remaining 33% minority interest in RHIB for a total consideration of ₱117.56 million.

On June 1, 2022, RSC made an additional investment to VHI amounting to ₱121.0 million increasing its share from 30% to 100%. VHI is a holding company whose principal activity is to engage in business of holding, selling and assigning, transfer and exchange of real property and personal property of any kind.

In February 2022, NDV acquired 20% ownership in Super Pumped Pte. Ltd. (Super Pumped) for a total consideration ₱61.61 million. Super Pumped is incorporated in Singapore.

In February 2022, RSC acquired Ministop Japan’s (MSJ) 40% stake in RCSI, increasing its share from 60% to 100%. RCSI is the exclusive franchisee of Ministop in the Philippines. RCSI subsequently rebranded its convenience store business to Uncle John’s following the exit of Ministop Japan.

On June 15, 2021, RSC acquired 250,000 common shares, representing 100% ownership of CGII for a total consideration of ₱23.68 million. Net assets of CGII at the date of acquisition amounted to ₱23.82 million. CGII is in the business of retail and wholesale of goods.

In December 2021, RSC acquired 30% ownership in VKD Holdings, Inc. (VHI) for a total consideration ₱40.87 million. VHI is a holding of a company whose principal activity is to engage in business of holding, selling and assigning, transfer and exchange of real property and personal property of any kind. In 2022, RSC acquired the remaining 70% ownership in VKD Holdings, Inc. for a total selling price of ₱236.63 million.

On December 28, 2021, the Parent Company acquired 20.0% ownership interest in GoTyme Bank Corportion (GoTyme) or 200 million shares for a total consideration amounting to ₱200.00 million or ₱1.00 per share. GoTyme's principal activity is to carry on and engage in the business of a digital bank. GoTyme is incorporated in the Philippines. Accordingly, the Group accounted the investment in GoTyme under investment in associates (Note 13). In 2023 and 2022, the Company infused an additional ₱235.1 million and ₱356.5 million to GoTyme.

On June 3, 2021, NDV acquired 24.25% ownership interest in HD Retail Holding Pte. Ltd. (HD Retail) or 7,275 shares for a total consideration amounting to ₱179.07 million or ₱24,615.00 per share. In 2022, The Group, through its subsidiary infused an additional amount of ₱52.39 million. HD Retail's principal activity is to operate as a hard discount store. HD Retail is incorporated in Singapore. Accordingly, the Group accounted the investment in HD Retail as an investment in an associate (Note 13).

Mergers
On April 22, 2022 the BOD and stockholders of RSC and RCSI approved the plan of merger with RSC as the surviving company. The articles and plan of merger was approved by the SEC on December 19, 2022 and took effect on July 1, 2023.

On February 10, 2023, shareholders owning or representing at least 2/3 of the total outstanding capital stock of VHI passed and approved the resolutions covering the approval and ratification of the merger of VHI and RSC. On August 17, 2023, the Company received the copy of SEC approval on the merger and took effect on September 1, 2023 with RSC as the surviving entity.

On February 11, 2022, the BOD and stockholders of CGII and RSC approved the Plan of Merger with RSC as the surviving company. The merger was approved by the stockholders representing at least 2/3 vote of the outstanding capital stock of the companies. On July 13, 2022, the SEC approved the Plan of Merger.

On April 12, 2021, the BOD and stockholders of JMBHC and RSC approved the Plan of Merger with RSC as the surviving company. The merger was approved by the stockholders representing at least 2/3 vote of the outstanding capital stock of the companies. On July 9, 2021, the SEC approved the Plan of Merger.

3. Changes in Accounting Policies

<u>New Standards, Interpretations and Amendments</u>
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2023. Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the consolidated financial statements.

- Amendments to PAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. The amendments had no impact on the Group's consolidated financial statements because the Group's accounting policies are aligned with the amendments to PAS 8.

- Amendments to PAS 12, *Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  The amendments had no impact on the Group's consolidated financial statements because the Group's accounting policies are aligned with the amendments to PAS 12.

- Amendments to PAS 12, *International Tax Reform - Pillar Two Model Rules*

  The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

  The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.

  The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023.

Standards Issued But Not Yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, Classification of Liabilities as Current or Non-current

  The amendments clarify:

  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments must be applied retrospectively.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments must be applied retrospectively.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

- Amendments to PAS 21, *Lack of Exchangeability*

  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  When applying the amendments, an entity cannot restate comparative information.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Summary of Material Accounting Policies

Revenue from Contracts with Customers
Revenue from contracts with customers is recognized when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group concluded that it is acting as principal in all its revenue arrangements. The Group recognized revenue from the following major sources:

- Sale of goods to retail customers, including the related loyalty programme and warranties granted under local legislation. Sale of goods include food, beverage, grocery items, fashion items (e.g. shoes, bags, clothing, cosmetics), household items, home improvement products, consumer electronics and appliances, toys, and prescription and over-the-counter pharmaceutical products;
- Sale of merchandise to franchisees;
- Franchise revenue under Ministop and TGP franchise agreements;
- Royalty fees

Sale of Goods - Retail Customers
The Group sells goods directly to customers through its own retail outlets and through its own e-commerce platform and in partnership with major e-commerce players in the country.

For sale of goods through retail outlets, revenue is recognized when the control of the goods has transferred to the customer, being at the point the customer purchases the goods at the retail outlet. Payment of the transaction price is due immediately at the point the customer purchases the goods.

For e-commerce sales, revenue is recognized when control of the goods has transferred to the customer, being at the point the goods are delivered to the customer. Delivery occurs when the goods have been shipped to the customer's specific location.

Under the Group's standard contract terms for sale to retail customers (from both retail outlet and e-commerce sales), customers have a right of return within seven (7) days. The right of return is not a separate performance obligation and is not considered in establishing the transaction price since right of return entitles the customer to exchange the product bought for another product of the same type, quality, condition and price (for example, one color or size for another).

Sale of Goods - Wholesale Market
The Group also sell goods in the wholesale market. Sales are recognized when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the group has objective evidence that all criteria for acceptance have been satisfied.

The sale of goods to the wholesale market often includes volume discounts based on current purchases. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

A receivable is recognized when the goods are shipped to the customer's specific location as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of Loyalty Points and Gift Checks
In 2019, the Group operated a loyalty programme where retail customers accumulate points for purchases made at any participating retail outlets and partner establishments that can be redeemed against any future purchases at any participating retail outlets and partner establishments, subject to a minimum number of points obtained. The Group also sells gift checks at face value which can be used to redeem goods.

The Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The stand-alone selling price is estimated based on the equivalent value given when the points are redeemed by the customer and the likelihood of redemption, as evidenced by the Group's historical experience.

A contract liability is recognized for revenue relating to the loyalty points and gift checks at the time of the initial sales transaction. Revenue from the loyalty points and gift checks are recognized when the points are redeemed by the customer. Revenue for loyalty points and gift checks that are not expected to be redeemed is recognized in proportion to the pattern of rights exercised by customers.

Starting January 1, 2020, the management and operation of the loyalty programme has been transferred to DAVI, a related party. With the new arrangement, the Group concluded that it only acts as an agent of DAVI and recognizes revenue relating to loyalty points on a net basis.

Sale of Merchandise - Franchisees
For sale of merchandise to franchisees, revenue is recognized when control of the goods has transferred to the franchisees, being at the point the goods are delivered to the franchisees. Delivery occurs when the goods have been shipped to the franchisee's specific location.

Franchise Revenue
The Group's franchise agreement includes payment of non-refundable upfront fee. The revenue from non-refundable upfront fees is recognized on a straight-line basis over the period the franchisee has access to the license (the term of the franchise agreement). Continuing franchise fees in exchange for the franchise right granted over the term of the franchise agreement are recognized as revenue when the subsequent sale of merchandise by the franchisees occurs.

Royalty Fee
Royalty fee is recognized every month based on the percentage of gross profit of the franchisees.

<u>Financial Instruments - Initial Recognition and Subsequent Measurement</u>

<u>Financial Assets</u>
The Group recognizes a financial asset in the consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument.

Initial Recognition and Measurement
Financial assets are classified, at initial recognition, as at amortized cost, FVOCI, and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in case not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial Assets at Amortized Cost (Debt Instruments). The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognized in the consolidated statement of comprehensive income when the asset is derecognized, modified or impaired.

As of December 31, 2023 and 2022, the Group's financial assets at amortized cost includes cash and cash equivalents, trade receivables and refundable security deposits included under 'Other noncurrent assets'.

FVOCI (Debt Instruments). The Group measures debt instruments at FVOCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of comprehensive income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI in the consolidated statement of comprehensive income. Upon derecognition, the cumulative fair value change recognized in other comprehensive income is recycled to profit or loss in the consolidated statement of comprehensive income.

As of December 31, 2023 and 2022, the Group's debt instruments at FVOCI includes investments in quoted debt instruments.

Financial Assets Designated at FVOCI (Equity Instruments). Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation and Disclosure* are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of comprehensive income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

Financial Assets at FVTPL. Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model.

Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in profit or loss in the consolidated statement of comprehensive income.

As of December 31, 2023 and 2022, the Group's financial assets at FVTPL includes investments in debt instruments which contain loss absorption feature.

Impairment of Financial Assets

The Group recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The ECL allowance is based on the credit losses expected to arise on a 12-month duration if there has been no significant increase in credit risk of the financial asset since origination (12-month ECL). Otherwise if a significant increase in credit risk is observed, then the ECL estimation is extended until the end of the life of the financial asset (Lifetime ECL). The 12-month ECL represents the losses that result from default events on a financial asset which may happen within 12 months after the reporting date. The Lifetime ECL on the other hand represents the losses that result from default events on a financial asset which may happen over its life. Both Lifetime ECLs and 12-month ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

Financial instruments subject to the ECL methodology are categorized into three stages:

- Stage 1 is comprised of all non-impaired financial instruments which have not experienced a significant increase in credit risk since initial recognition. Entities are required to recognize 12-month ECL for stage 1 financial instruments. In assessing whether credit risk has increased significantly, entities are required to compare the risk of a default occurring on the financial instrument as at the reporting date, with the risk of a default occurring on the financial instrument as at the date of initial recognition.

- Stage 2 is comprised of all non-impaired financial instruments which have experienced a significant increase in credit risk since initial recognition. Entities are required to recognize lifetime ECL for stage 2 financial instruments. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then entities shall revert to recognizing 12-month ECL.

- Financial instruments are classified as stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial instrument or a portfolio of financial instruments. The ECL model requires that lifetime ECL be recognized for impaired financial instruments, which is similar to the requirements under PAS 39 for impaired financial instruments.

A default is considered to have occurred when (a) there is a breach of financial covenants by the counterparty; or (b) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group). Irrespective of the analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At each reporting date, the Group shall assess whether the credit risk on a loan or credit exposure has increased significantly since initial recognition. Group's assessment of significant increase in credit risk involves looking at quantitative element and qualitative element. The quantitative element is being looked through statistical models or credit ratings process or scoring process that captures certain information which the Group shall consider as relevant in assessing changes in credit risk. The Group may also look at the number of notches downgrade of credit risk rating or certain thresholds for the probabilities of default being generated from statistical models to determine whether significant increase in credit risk has occurred subsequent to initial recognition date.

Credit exposures shall be transferred from Stage 1 to Stage 2 if there is significant increase in credit risk from initial recognition date. Exposures shall be classified as Stage 2 if (a) the exposure have potential weaknesses, based on current and/or forward-looking information, that warrant management's close attention. Said weaknesses, if left uncorrected, may affect the repayment of these exposures; (b) If there are adverse or foreseen adverse economic or market conditions that may affect the counterparty's ability to meet the scheduled repayments in the future.

Exposures shall be transferred from Stage 3 (non-performing) to Stage 1 (performing) when there is sufficient evidence to support their full collection. Such exposures should exhibit both the quantitative and qualitative indicators of probable collection prior to their transfer. Quantitative indicator is characterized by payments made within an observation period. Qualitative indicator pertains to the results of assessment of the borrower's financial capacity.

ECLs are generally measured based on the risk of default over one of two different time horizons, depending on whether there has been significant increase in credit risk since initial recognition. ECL calculations are based on the following components:

- Probability-of-default (PD) - an estimate of the likelihood that a borrower will default on its obligations over the next 12 months for Stage 1 or over the remaining life of the credit exposure for Stages 2 and 3.

- Loss-given-default (LGD) - an estimate of the loss arising in case where defaults occur at a given time. It is based on the difference between the contractual cash flow due and those that the Group would expect to receive, including from any collateral.

- Exposure-at-default (EAD) - an estimate of the exposure at a future/default date taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, expected drawdown on committed facilities and accrued interest from missed payments.

Forward-looking information shall be considered in estimating/determining the 12-month and lifetime PD, LGD and EAD depending on the credit exposure.

ECL measurement is determined by evaluating a range of possible outcomes and using reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Experienced credit judgment is essential in assessing the soundness of forward-looking information and in ensuring that these are adequately supported. Forward-looking macroeconomic information (e.g. inflation rate and consumer price index) and scenarios shall consider factors that may affect the general economic or market conditions in which the Group operates.

For trade receivables and contract assets, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted by forward-looking factors specific to the debtors and economic environment.

For debt instruments at FVOCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument.

The Group's debt instruments at FVOCI comprise solely of quoted bonds that are graded in the top investment category by the S&P and, therefore, are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from the S&P both to determine whether the debt instrument has significantly increased in credit risk and to estimate ECLs.

For other debt financial instruments e.g., cash and cash equivalents and security deposits ECLs the Group applies the general approach. Therefore, the Group track changes in credit risk at every reporting date.

<u>Financial Liabilities</u>
Initial Recognition
Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL and other financial liabilities at amortized cost. The initial measurement of financial liabilities, except for designated at FVPL, includes transaction costs.

As of December 31, 2023 and 2022, the financial liabilities of the Group are classified as other financial liabilities.

Subsequent Measurement
After initial recognition, other financial liabilities are measured at amortized cost using the effective interest method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are derecognized as well as through amortization process.

This accounting policy relates to the Group's Trade and other payables, Short-term loans, Lease liabilities and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable and retirement obligation).

<u>Derecognition of Financial Assets and Liabilities</u>
Financial Asset
A financial asset (or, where applicable a part of a financial asset or part of a Group of similar financial assets) is derecognized where:

- the right to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through' arrangement; or
- the Group has transferred its right to receive cash flows from the asset and either; (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained the risk and rewards of the asset but has transferred the control of the asset.

Financial Liability
A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expired.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Merchandise Inventories
Merchandise inventories are stated at the lower of cost and net realizable value (NRV). Cost is determined using the moving average method. Costs comprise of purchase price, including duties, transport and handling costs, and other incidental expenses incurred in bringing the merchandise inventory to its present location and condition.

NRV is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. In the event that NRV is lower than cost, the decline shall be recognized as an expense in the consolidated statement of comprehensive income.

Investment in Associates
Associates are entities in which the Group has significant influence. Investment in associates is accounted for under the equity method of accounting. The reporting dates of the associates and the Group are identical and associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

The Group discontinues applying the equity method when the investment associates is reduced to zero (0). Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the associates. When the associates subsequently report net income, the Group will resume applying the equity method but only after its share of that net income equals the share of net losses not recognized during the period the equity method was suspended.

Business Combination and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the Group will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with PFRS 9 either in profit or loss or as a change to OCI. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating unit (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the CGU (or group of CGUs), to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Combination of Entities under Common Control

Business combinations under common control are those in which all of the combining entities or businesses are controlled by the same party or parties both before and after the business combination, and that control is not transitory. Business combinations are accounted for using the acquisition method except for business combinations under common control in which an accounting similar to pooling of interest method accounted for prospectively from the acquisition date as allowed under PIC Q&A 2012-01. Under the prospective pooling of interest method, the assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments are made to reflect fair values, or recognize any new assets and liabilities, at the date of the combination. No new goodwill is recognized. The adjustments made, if any, are only to the extent to harmonize accounting policies within the Group. The difference between the book value of net asset acquired and the consideration paid or transferred is recognized in equity, under "Equity reserve". The profit and loss of the acquirees are consolidated from the acquisition date. Comparative periods are not restated.

Acquisition of Assets

When assets are acquired, through corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents an acquisition of a business. When such an acquisition is not judged to be an acquisition of a business, it is not treated as a business combination. Rather, the cost to acquire the entity is allocated between the identified assets and liabilities of the entity based on their relative fair values at the acquisition date. Accordingly, no goodwill or additional deferred tax arises.

Property and Equipment

Property and equipment, except land are carried at cost less accumulated depreciation and amortization and accumulated impairment in value, if any. Land is carried at cost less any impairment in value.

Construction in-progress (CIP) are transferred to the related "Property and equipment" account when the construction or installation and related activities necessary to prepare the property and equipment for their intended use are completed, and the property and equipment are ready for service. CIP is not depreciated until such time when the relevant assets are completed and available for use.

Depreciation and amortization is computed using the straight-line method over the estimated useful lives (EUL) of the assets. Leasehold improvements are amortized over the EUL of the improvements or the term of the related lease, whichever is shorter.

The EUL of property and equipment in general are as follows:

	Years
Building and other equipment	20 - 25
Store furniture and fixtures	5 - 10
Office furniture and fixtures	5 - 10
Transportation equipment	5 - 10
Computer equipment	3 - 10

An item of property that is both owner-occupied and leased-out under operating lease is treated as property and equipment under the rules of PAS 16 instead of investment property under PAS 40 if the related portion of the property being leased-out is insignificant.

Intangible Assets

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the CGU level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Licenses

The Group acquired the license to use the brand and operate its stores. The license shall be amortized using the straight-line method over a period of ten (10) years. The amortization of the license is recorded in the consolidated statement of comprehensive income under "Operating expenses" account.

Trademarks

Trademarks, which were acquired through business combinations in 2012 (SSDI), 2015 (SEWI), 2016 (TGPPI), 2018 (RSCI), 2020 (RPI) and 2023 (SFI) were recognized at fair value at the date of acquisition and assessed to have indefinite useful lives. Following initial recognition, the trademarks are carried at cost and subject to annual impairment testing.

Franchise

The Group acquired the franchise to use the brand and operate its stores. The franchise shall be amortized using the straight-line method over a period of ten (10) years. The amortization of the franchise is recorded in the consolidated statements of comprehensive income under "Operating expenses" account.

Impairment of Nonfinancial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset (e.g., property and equipment, ROU assets, investment in associates and intangible assets.) may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or a CGU's fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, recoverable amount is determined for the CGU to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, taking into consideration the impact of the coronavirus pandemic. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly-traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the consolidated statement of comprehensive income in the expense category consistent with the function of the impaired asset, except for property previously revalued where the revaluation was taken to equity. In this case the impairment is also recognized in equity up to the amount of any previous revaluation.

For nonfinancial assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The following criteria are also applied in assessing impairment of specific assets:

Investment in Associates
After application of the equity method, the Group determines whether it is necessary to recognize any additional impairment loss with respect to the Group's net investment in associates. The Group determines at each reporting date whether there is any objective evidence that the investment in associates is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount and the carrying value of the investment in associates and recognizes the difference in the consolidated statement of comprehensive income. The Group applies PFRS 5 to an investment (or portion thereof) in an associate that meets the criteria to be classified as held for sale. Any retained portion not classified as held for is accounted for using the equity method until the disposal of portion that is classified as held for sale takes place. After such disposal, the Group accounts for any retained interest in accordance with PFRS 9 unless the retained interest continues to be an associate, in which case equity method is still applied.

Impairment Testing of Goodwill and Trademarks
Goodwill and trademarks are reviewed for impairment, annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired.

The Group performed its annual impairment test for the years ended December 31, 2023 and 2022. The CGU are concluded to be the entire entities acquired by the Group. The impairment testing may be performed at any time in the annual reporting period, but it must be performed at the same time every year and when circumstances indicate that the carrying amount is impaired. The impairment testing also requires an estimation of the recoverable amount, which is the net selling price or value-in-use of the CGU to which the goodwill and intangibles are allocated.

Impairment is determined for goodwill and trademarks by assessing the recoverable amount of the CGU (or group of CGU) to which the goodwill and trademarks relate. Where the recoverable amount of the CGU (or group of CGU) is less than the carrying amount of the CGU (or group of CGU) to which goodwill and trademarks have been allocated, an impairment loss is recognized immediately in the consolidated statement of comprehensive income. Impairment loss recognized for goodwill and trademarks shall not be reversed in future periods.

<u>Noncurrent Assets Held For Sale</u>
The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Noncurrent assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification and may be extended if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group). Assets and liabilities classified as held for sale are presented separately in the consolidated statement of financial position.

<u>Retirement Cost</u>
Defined Benefit Plan
The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting date reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

(a) service cost;
(b) net interest on the net defined benefit liability or asset; and
(c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss in the consolidated statement of comprehensive income. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss in the consolidated statement of comprehensive income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in the consolidated statement of comprehensive income subsequent periods.

Retirement plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Retirement plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

<u>Income Tax</u>
Current Tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Deferred Tax
Deferred tax is provided, using the balance sheet liability method, on all temporary differences, with certain exceptions, at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from excess of minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from excess MCIT and NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside the consolidated statement of comprehensive income is recognized outside the consolidated statement of comprehensive income. Deferred tax items are recognized in correlation to the underlying transaction either in the consolidated statement of comprehensive income or other comprehensive income.

Capital Stock
Capital stock is measured at par value for all shares issued. When the Group issues shares in excess of par, the excess is recognized as additional paid-in capital (APIC) (Note 18). Incremental costs incurred directly attributable to the issuance of new shares are treated as deduction from APIC. If APIC is not sufficient, the excess is charged against retained earnings.

Equity Reserves
Equity reserve consists of equity transactions other than capital contributions, such as equity transactions arising from transactions with NCI and combination or entities under common control.

Retained Earnings
Retained earnings represent accumulated earnings of the Group less dividends declared and any adjustment arising from application of new accounting standards, policies or correction of errors applied retroactively. It includes the accumulated equity in undistributed earnings of consolidated subsidiaries which are not available for dividends until declared by subsidiaries. Appropriated retained earnings are those that are restricted for store expansion. Unappropriated retained earnings are those that can be allocated for specific purposes and can be distributed as dividend (Note 18).

Other Comprehensive Income (OCI)
OCI are items of income and expense that are not recognized in profit or loss in the consolidated statement of comprehensive income for the year in accordance with PFRS. The Group's OCI pertains to unrealized gains or losses arising from debt instruments financial assets which can be recycled to profit or loss in the consolidated statement of comprehensive income and equity instruments financial assets which cannot be recycled to profit or loss and remeasurement gain or losses on retirement obligation.

Treasury Shares
Treasury shares are own equity instruments which are reacquired, recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation, if reissued, is recognized in APIC (Note 18). Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively. When the shares are retired, the capital stock account is reduced by its par value and the excess of cost over par value upon

retirement is debited to APIC to the extent of the specific or average APIC when the shares were issued and to retained earnings for the remaining balance. The retained earnings account is restricted to payment of dividends to the extent of the cost of treasury shares.

Leases
The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether the fulfillment of the arrangement is dependent on the use of a specific asset ot assets and the arrangement conveys a right to use the asset or assets, evein if that right is not explicitly specified in an arrangement.

Group as a Lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and ROU assets representing the right to use the underlying assets.

ROU assets. The Group recognizes ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term as follows:

	Years
Land (lease term)	10-25
Warehouses	10-15
Store spaces	6-10
Office spaces	6-10
Building	10

ROU assets are presented separately in the consolidated statement of financial position and are also subject to impairment test in accordance with PAS 36.

Lease liabilities. At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Lease liabilities (current and noncurrent) are presented separately in the consolidated statement of financial position.

Short-term leases. The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

Group as Lessor
Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the consolidated statement of comprehensive income. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income.

Foreign Currency Transactions
Transactions in foreign currencies are initially recorded in the Group's functional currency using the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency using the Bankers Association of the Philippines (BAP) closing rate prevailing at the reporting date. Exchange gains or losses arising from foreign exchange transactions are credited to or charged against operations for the period.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the prevailing closing exchange rate as of the date of initial transaction.

Financial statements of consolidated foreign subsidiaries which are considered foreign entities are translated into the presentation currency of the Parent Company (Peso) at the closing exchange rate at end of reporting period and their statements of income are translated using the monthly weighted average exchange rates for the year. The exchange differences arising from the translation are taken directly to a separate component of equity (under cumulative translation adjustment). On disposal of a foreign entity, the deferred cumulative amount recognized in equity relating to that particular foreign operation is recognized in the consolidated statement of comprehensive income.

Earnings Per Share (EPS)
Basic EPS is computed by dividing net income for the year applicable to common stock by the weighted average number of common shares issued and outstanding during the year, adjusted for any subsequent stock dividends declared.

Diluted EPS is calculated by dividing the net income for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The calculation of diluted EPS does not assume conversion, exercise, or other issue of potential common shares that would have an antidilutive effect on EPS.

The Parent Company does not have any potentially dilutive ordinary shares for the years ended December 31, 2023, 2022 and 2021 (Note 26).

Segment Reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for resource allocation

and assessing performance of the operating segment, has been identified as the President. The nature of the operating segment is set out in Note 6.

Linked Transactions
There are circumstances which indicate that multiple arrangements should be accounted for as a single transaction. In determining whether to account for the arrangements as a single transaction, the Group shal consider the terms and conditions of the arrangements and their economic effects. One or more of the following indicate that Group should for the multiple arrangements as a single transaction:

- entered into at the sae time or in contemplation of each other;
- form a single transaction designed to achieve an overall commercial effect;
- the occurrence of one arrangement is dependent on the occurrence of at lease one other arrangement; and
- one arrangement considered on its own is not economically justified, but it is economically justified when considered together with other arrangements.

Events After the Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are non-adjusting events are disclosed in the consolidated financial statements when material.

5. **Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the consolidated financial statements in conformity with PFRSs requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determination Whether Acquisition of Group of Assets Qualifies as a Business in Accordance with PFRS 3
Management uses judgment in assessing if the group of assets and liabilities acquired would constitute a business. In accordance with PFRS 3, business is defined as an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits directly to investors or other owners, members or participants. Management assessed that the acquisition of RPI constitute a business while the acquisition of JMBHC constitute a purchase of an asset.

Determination of Lease Term of Contracts with Renewal and Termination Options - Company as a Lessee
The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal (eg. construction of significant leasehold improvements). After the

commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Right to Access - Performance Obligation Satisfied Over Time
The Group considered the following in assessing whether the non-refundable upfront franchise fee is a right to access the Ministop and TGP licenses: (a) the franchisee reasonably expects that the entity will undertake activities that will significantly affect the license to which the customer has rights (i.e. the characters); (b) the rights granted by the franchise agreement directly expose the franchisee to any positive or negative effects of the Group's activities because the franchise agreement requires the customer to use the latest characters; and (c) even though the franchisees may benefit from those activities through the rights granted by the franchise agreement, they do not transfer a good or service to the customer as those activities occur.

The Group concludes that non-refundable upfront franchise fee is a payment to provide the franchisees with access to the Uncle John's and TGP licenses as it exists throughout the franchise period. Consequently, the entity accounts for the upfront franchise fee as a performance obligation satisfied over time.

Determination if Consideration Received from Suppliers is Not Distinct
The Group in the ordinary course of business received consideration from suppliers for product placements (e.g. slotting fees) and other programs. The Group determines that the consideration received from the suppliers is not in exchange for a distinct good or service that transfers to the supplier because of the following considerations:

- the standalone selling price of the good or service for which the consideration is received cannot be reasonably estimated; and
- the supplier does not obtain control of the goods or service.

Under PFRS 15, considerations received from the suppliers under normal trade agreements are treated as only one performance obligation and the considerations received are deducted to cost of merchandise sold.

Accounting for Investments in G2M through Convertible Note
The Group has investments in G2M Solutions Philippines Pte. Ltd. through convertible note which will provide the Group 14.90% ownership interest, respectively, upon conversion of the note. The Group assessed that it has significant influence as evidenced by provision of technical information, board seats and service agreement in the term sheet. Thus, the investments are accounted for as investments in associates (see Note 13).

Determination of Control
The Group determined that it has control or no control over its investees by considering, among others, its power over the investee, exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

The following were also considered:

- The contractual arrangement with the other vote holders of the investee (e.g., reserved matters);
- Rights arising from other contractual agreements;
- The Group's voting rights and potential voting rights; and
- Redemption features that override any indication of control

Contingencies
The Group is currently involved in certain legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on the Group's financial position and results of operations. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (Note 31).

Determining Whether Investment in Associate Qualifies as Asset Held for Sale
In view of the September 30, 2022 decision by the BOD to approve the merger of its associate with another bank (see Note 13), the Group exercised judgment in determining whether or not the asset qualifies at that point in time as an asset held for sale in accordance with PFRS 5. The Group assessed that the recognition criteria as indicated in the policy of the Group in Note 4, have been met in view of the facts discussed in Note 13. The Group expects to complete the sale within one year from initial recognition subject to customary regulatory approvals. Accordingly, the related investment in RBC was reclassified as noncurrent asset held for sale beginning in the Groups' 2022 consolidated financial statements. The SEC subsequently approved the merger to be effective on January 1, 2024 (see Note 32).

Estimates and Assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Recoverability of Goodwill and Trademarks
In the course of the Group's business combinations, goodwill and trademarks were acquired (Note 14). These assets have indefinite useful lives.

The Group performed its annual impairment test as at December 31, 2023 and 2022. The recoverable amounts of the CGUs have been determined based on value in use (VIU) and enterprise value or earnings before interest, taxes, depreciation and amortization (EV/EBITDA) multiple calculations.

As of December 31, 2023 and 2022, below are the CGUs and the carrying amount of trademarks to which these are allocated and tested for annual impairment:

	Measurement basis of recoverable amount	**2023**	2022
RSCI	VIU	**₱3,205,411,607**	₱3,205,411,607
SSDI	VIU	**1,566,917,532**	1,566,917,532
RPI	VIU	**1,514,575,531**	1,514,575,531
TGPPI	EV/EBITDA	**1,264,098,435**	1,264,098,435
SEWI	VIU	**364,914,493**	364,914,493
SFI	VIU	**35,000,000**	–
		₱7,950,917,598	₱7,915,917,598

As of December 31, 2023 and 2022, below are the CGUs and the carrying amount of goodwill to which this is allocated and tested for annual impairment:

	Measurement basis of recoverable amount	Amount
RSCI	VIU	₱9,109,386,061
RPI	VIU	2,343,614,826
TGPPI	EV/EBITDA	1,281,428,830
SSDI	VIU	745,887,131
SEWI	VIU	715,103,869
Eurogrocer Corporation	EV/EBITDA	199,870,222
RHIB	VIU	145,655,320
RTSHPI	VIU	85,161,468
Jayniths Supermarket	EV/EBITDA	71,732,435
HPTDI	VIU	4,248,153
GNC Pharma Corp.	EV/EBITDA	23,250,000
		₱14,725,338,315

Value In Use
The recoverable amount of some CGU has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the demand for products and services, taking into consideration the impact of the coronavirus pandemic.

The pre-tax discount rate applied to cash flows projections is 10.24% to 13.40% for pharmaceutical and non-pharmaceutical group in 2023, (9.63% to 11.67% for 2022) and cash flows beyond the five-year period are extrapolated using a 3.00% to 5.00% in 2023 growth rate (1.00% to 5.00% in 2022) that is the same as the long-term average growth rate for the respective industries. As a result of this analysis, management concluded that the goodwill and trademarks are not impaired.

The calculation of value in use of the CGUs is most sensitive to the following assumptions:

- Gross margins
- Discount rate
- Price inflation
- Growth rates used to extrapolate cash flows beyond the forecast period

Gross Margins
Gross margins are based on average values achieved in one (1) to five (5) years preceding the beginning of the budget period. These are increased over the budget period for anticipated efficiency improvements. A 15.0% to 33.0% gross margin per annum was applied. A decreased demand can lead to a decline in gross margin.

Discount Rates
Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on

publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Price Inflation
Forecast price inflation which impacts the forecast for operating expenses lies within a range of 3.0% to 6.0% and 3.0% to 8.1% in 2023 and 2022, respectively. If price increases greater than the forecast price inflation and the Group is unable to pass on or absorb these increases through efficiency improvements, then the Group will have to recognize an impairment.

Growth Rate Estimates
Rates are based on published industry research. A reduction in the long-term growth rate would result in impairment.

EV/EBITDA Multiple
The Group utilized the use of EV/EBITDA multiple in the impairment testing of its goodwill from the acquisitions of some of its subsidiaries wherein the Group obtained and selected comparable entities which closely represent each entity from which goodwill was acquired. The characteristics taken into account include, among others, the geographical area where the comparable resides, nature of business or operations of the comparable entities and economic environment from which the comparable entities operate.

As such, the Group has selected EV/EBITDA multiples limited to retail entities in the Philippines as the management of the Group believes that these entities reasonably represent each acquired entity after carefully taking into account the future viability of the assumptions used and ability of each entity to attain such position in the future as it relates to the overall growth in the industry and in the country.

In 2023 and 2022, the Group used the EV/EBITDA multiple ranging from 4.6x and 7.06x multiples for pharmaceutical and nonpharmaceutical group, respectively, in 2023 (4.6x to 8.7x multiples and 6.82x multiples for pharmaceutical and nonpharmaceutical group, respectively, in 2022) for impairment testing of goodwill and concluded and satisfied that goodwill from the acquired entities are not impaired.

As of December 31, 2023 and 2022, the recoverable amount of trademark is higher than its carrying value. Management believes that an increase in discount rate by 4.0% and 8.6% as of December 31, 2023 and 2022 would cause the carrying value of the trademarks to equal the recoverable amount. The discount rate is the assumption to which the recoverable amount of CGU is most sensitive to.

As of December 31, 2023 and 2022, the recoverable amount of goodwill is higher than its carrying value. Management believes that a decrease in growth rate by 3.9% and 6.39% as of 2023 and 2022, respectively, would cause the carrying value of the CGU including goodwill to equal the recoverable amount. The growth rate is the assumption to which the recoverable amount of CGU is most sensitive to.

Leases - Estimating the Incremental Borrowing Rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the ROU asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs

(such as market interest rates) when available and is required to make certain estimates based on the Group credit worthiness.

Provision for ECL of Trade and Other Receivables
The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrated the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Provision for expected credit losses in 2023, 2022 and 2021 amounted to ₱30.54 million, ₱3.32 million and ₱3.28 million, respectively. As of December 31, 2023 and 2022, allowance for expected credit losses on trade and other receivables amounted to ₱40.78 million and ₱33.79 million, respectively (see Note 8). As of December 31, 2023 and 2022, the carrying value of the Group's trade and other receivables amounted to ₱3.95 billion and ₱3.53 billion, respectively (Note 8).

Estimating NRV of Merchandise Inventories
The Group carries merchandise inventory at NRV whenever the utility of it becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels, losses or other causes. The estimate of the NRV is reviewed regularly.

Estimates of NRV are based on the most reliable evidence available at the time the estimates are made on the amount the inventories are expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at reporting date.

Provision for inventory obsolescence amounted to ₱87.04 million in 2023, ₱160.25 million in 2022 and ₱61.82 million in 2021. Merchandise inventories amounted to ₱29.67 billion and ₱27.47 billion as of December 31, 2023 and 2022, respectively (Note 9).

Retirement and Other Benefits
The determination of the obligation and cost of retirement and other benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 23, and include, among others, discount rate and salary rates increase.

As of December 31, 2023 and 2022, the carrying value of the retirement plan asset amounted to ₱166.45 million and ₱290.53 million, respectively. As of December 31, 2023 and 2022, retirement obligation amounted to ₱608.42 million and ₱279.09 million, respectively.

Recoverability of Deferred Tax Assets
The Group reviews the carrying amounts of deferred tax asset at each reporting date and reduces them to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Management has determined based on business forecast of succeeding years that there is enough taxable income against which recognized deferred tax assets will be realized. As of December 31, 2023, and 2022, the Group has deferred tax assets amounting ₱6.39 billion and ₱6.85 billion, respectively (see Note 25).

6. Operating Segments

<u>Business Segment</u>
The business segment is determined as the primary segment reporting format as the Group's risks and rates of return are affected predominantly by each operating segment.

Management monitors the operating results of its operating segments separately for the purpose of making decision about resource allocation and performance assessment. Group financing (including interest income, dividend income and interest expense) and income taxes are managed on a group basis and are not allocated to operating segments. The Group evaluates performance based on earnings before interest and taxes, and earnings before interest and taxes, depreciation and amortization. The Group does not report its results based on geographical segments because the Group operates only in the Philippines.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Cost and expenses exclude interest, taxes, depreciation and amortization.

The amount of segment assets and liabilities are based on the measurement principles that are similar with those used in measuring the assets and liabilities in the consolidated statement of financial position which is in accordance with PFRSs.

The Group derives its revenue from the following reportable units:

- *Supermarket Division*
  The supermarket division operates under five (5) formats. It has Robinsons Supermarket, Robinsons Easymart, The Marketplace, Shopwise, and No Brand. Robinsons Supermarket is Robinsons Retail's mainstream grocery format and is a major supermarket chain in the country that focuses on health and wellness. It also offers fresh food products at competitive prices and actively encourages consumers to adopt a healthy lifestyle by providing a wide range of high-quality health and wellness products. These products are given a specifically allocated section within each of the supermarkets and are made highly visible to consumers. The Marketplace is Robinsons Retail's premium grocery format giving customers imported and gourmet options. Located in central business districts and high-end developments, The Marketplace features a wide range of internationally sourced and carefully curated selections that cater to an upscale market. Robinsons Easymart is a standalone mini-mart store for everyday needs located right within neighborhoods. Smaller than a typical supermarket, it offers both quality and affordable fresh foods and other household essentials as well as bills payment and mobile loading services with ease of accessibility and convenience. Shopwise is the Group's hypermarket format featuring a broad assortment of products from groceries to general merchandise and lifestyle essentials from brands around the world. One of the pioneers of the hypermarket format in the Philippines, Shopwise enables customers to experience international grocery shopping with great finds and great deals without the membership fee. In 2021, the Korean hard discount store No Brand was reclassified to the supermarket division as it offers mostly grocery and food products to consumers.

- *Department Store Division*
  Robinsons Department Store (RDS) offers a large selection of local and international brands that are grouped into categories such as shoes, bags and accessories (including beauty and personal care), ladies' and men's wear, children's wear, household items and others. RDS is focused on catering to middle-income customers.

- *Do-It-Yourself (DIY) Division*
  DIY brands of Handyman Do it Best and True Value, have grown to have a reputation of quality and dependability in the Philippine retail market, as well as being aggressive in terms of expansion among mall and big box hardware and home improvement centers in the country. The DIY segment aims to cover the Philippine landscape with more branches in key commercial centers to promote self-reliance among do-it yourselfers, as well as offer a wide selection of construction materials for contractors and builders.

- *Convenience Store Division*
  Uncle John's is a 24 - hour convenience store chain in the Philippines. The store carries a wide assortment of merchandise and an extensive selection of ready to eat products.

- *Drug Store Division*
  The Drug Store segment operates three (3) formats namely: South Star Drug, Rose Pharmacy and TGP which primarily offer high quality pharmaceutical drugs, which constitutes to over a thousand reputable branded and affordable options including TGP's house brands for generic medicines. The segment's other major product categories are staged milk and non-pharmaceutical selections, which include a vast array personal care items, food and beverage, and other convenience store grocery items.

- *Specialty Store Division*
  The Specialty Store format is the lifestyle arm of the Group. It is committed to bringing a diverse spectrum of products and services to the Philippine market. The segment operates five (5) formats of specialty stores, namely: 1) toys and juvenile products retail under Toys "R" Us; 2) consumer electronics and appliances stores operated under Robinsons Appliances and Savers Appliance, 3) beauty retail stores such as Benefit, Shiseido and Clē de Peau 4) mass merchandise stores under Daiso Japan and Super50, 5) pet retail under Pet Lovers Centre.

2023

	Supermarket Division	Department Store Division	DIY Division	Convenience Store Division	Drug Store Division	Specialty Store Division	Parent Company	Intersegment Eliminating Adjustments	Consolidated
Segment net sales	₱108,594,439,084	₱16,269,769,388	₱12,305,507,597	₱6,336,836,181	₱33,388,304,028	₱15,231,005,331	₱–	₱–	₱192,125,861,609
Intersegment net sales	–	–	–	–	–	–	–	–	–
Total net sales	108,594,439,084	16,269,769,388	12,305,507,597	6,336,836,181	33,388,304,028	15,231,005,331	–	–	192,125,861,609
Segment cost of merchandise sold	85,082,449,272	11,298,106,613	8,518,102,696	4,093,155,048	26,362,440,436	11,171,497,517	–	–	146,525,751,582
Intersegment cost of merchandise sold	–	–	–	–	–	–	–	–	–
Total cost of merchandise sold	85,082,449,272	11,298,106,613	8,518,102,696	4,093,155,048	26,362,440,436	11,171,497,517	–	–	146,525,751,582
Gross profit	23,511,989,812	4,971,662,775	3,787,404,901	2,243,681,133	7,025,863,592	4,059,507,814	–	–	45,600,110,027
Segment other income	712,758,824	54,128,187	–	164,249,985	206,334,027	49,192,582	2,811,978	–	1,189,475,583
Intersegment other income	323,813,218	–	–	–	–	45,325,575	–	(369,138,793)	–
Total other income	1,036,572,042	54,128,187	–	164,249,985	206,334,027	94,518,157	2,811,978	(369,138,793)	1,189,475,583
Gross profit including other income	24,548,561,854	5,025,790,962	3,787,404,901	2,407,931,118	7,232,197,619	4,154,025,971	2,811,978	(369,138,793)	46,789,585,610
Segment operating expenses	15,106,755,153	3,610,812,793	2,488,766,861	1,837,075,415	4,130,582,771	3,111,114,900	62,650,770	–	30,347,758,663
Intersegment operating expenses	45,325,574	127,465,255	60,546,986	2,330	86,947,798	48,850,850	–	(369,138,793)	–
Total operating expenses	15,152,080,727	3,738,278,048	2,549,313,847	1,837,077,745	4,217,530,569	3,159,965,750	62,650,770	(369,138,793)	30,347,758,663
Earnings before interest, taxes and depreciation and amortization	9,396,481,127	1,287,512,914	1,238,091,054	570,853,373	3,014,667,050	994,060,221	(59,838,792)	–	16,441,826,947
Depreciation and amortization	3,943,163,105	668,675,422	905,301,449	405,079,287	757,925,434	819,800,437	–	–	7,499,945,134
Earnings (loss) before interest and taxes	5,453,318,022	618,837,492	332,789,605	165,774,086	2,256,741,616	174,259,784	(59,838,792)	–	8,941,881,813
Interest income	49,076,854	12,263,329	36,577,095	125,487	14,387,981	31,270,009	112,838,841	–	256,539,596
Equity in net loss of an associate	–	–	–	–	–	–	(821,268,143)	–	(821,268,143)
Dividend income	–	–	–	–	–	–	1,263,746,088	–	1,263,746,088
Foreign exchange gain (loss) - net	(4,142,791)	4,694,764	(4,275)	–	(590,663)	197,045	(64,966,067)	–	(64,811,987)
Interest expense	(1,302,734,682)	(275,857,219)	(146,489,626)	(83,848,126)	(402,277,877)	(145,838,883)	(765,915,456)	–	(3,122,961,869)
Others	172,962,174	(11,479,451)	(13,762,906)	(14,270,590)	(152,869,469)	37,733,167	(298,952,747)	229,797	(280,410,025)
Income before income tax	₱4,368,479,577	₱348,458,915	₱209,109,893	₱67,780,857	₱1,715,391,588	₱97,621,122	(₱634,356,276)	₱229,797	₱6,172,715,473
Assets and liabilities									
Segment assets	₱54,758,979,179	₱7,787,801,389	₱8,278,873,722	₱2,074,470,011	₱21,964,364,084	₱7,739,241,840	₱36,481,169,951	₱15,938,015,765	₱155,022,915,941
Investment in subsidiaries - at cost	4,616,107,224	4,030,108,592	–	–	–	–	24,130,589,151	(32,776,804,967)	–
Total segment assets	₱ 59,375,086,403	₱11,817,909,981	₱8,278,873,722	₱2,074,470,011	₱21,964,364,084	₱7,739,241,840	₱60,611,759,102	(₱16,838,789,202)	₱155,022,915,941
Total segment liabilities	₱35,802,284,738	₱8,762,311,316	₱3,542,421,675	₱1,127,476,248	₱12,462,416,574	₱4,210,877,767	₱8,693,700,726	₱1,043,534,855	₱75,645,023,899
Other segment information:									
Capital expenditures	₱2,525,921,366	₱387,132,276	₱350,834,939	₱156,690,404	₱406,089,402	₱345,772,242	₱–	₱–	₱4,172,440,629

2022

	Supermarket Division	Department Store Division	DIY Division	Convenience Store Division	Drug Store Division	Specialty Store Division	Parent Company	Intersegment Eliminating Adjustments	Consolidated
Segment net sales	₱101,120,155,448	₱15,030,869,386	₱12,403,416,128	₱6,072,231,136	₱29,485,500,238	₱14,708,896,724	₱–	₱–	₱178,821,069,060
Intersegment net sales	–	–	–	–	–	–	–	–	–
Total net sales	101,120,155,448	15,030,869,386	12,403,416,128	6,072,231,136	29,485,500,238	14,708,896,724	–	–	178,821,069,060
Segment cost of merchandise sold	79,167,642,319	10,485,277,605	8,551,868,702	4,007,822,692	23,507,146,239	10,819,124,233	–	–	136,538,881,790
Intersegment cost of merchandise sold	–	–	–	–	–	–	–	–	–
Total cost of merchandise sold	79,167,642,319	10,485,277,605	8,551,868,702	4,007,822,692	23,507,146,239	10,819,124,233	–	–	136,538,881,790
Gross profit	21,952,513,129	4,545,591,781	3,851,547,426	2,064,408,444	5,978,353,999	3,889,772,491	–	–	42,282,187,270
Segment other income	669,013,009	24,722,036	126,616	256,505,622	182,525,364	20,111,435	6,338,965	–	1,159,343,047
Intersegment other income	170,694,115	–	–	–	–	49,729,316	–	(220,423,431)	–
Total other income	839,707,124	24,722,036	126,616	256,505,622	182,525,364	69,840,751	6,338,965	(220,423,431)	1,159,343,047
Gross profit including other income	22,792,220,253	4,570,313,817	3,851,674,042	2,320,914,066	6,160,879,363	3,959,613,242	6,338,965	(220,423,431)	43,441,530,317
Segment operating expenses	14,223,406,486	3,241,891,035	2,272,756,261	1,740,333,978	3,451,875,171	2,614,216,968	18,997,699	–	27,563,477,598
Intersegment operating expenses	49,729,316	49,097,586	33,259,462	–	57,810,746	30,526,321	–	(220,423,431)	–
Total operating expenses	14,273,135,802	3,290,988,621	2,306,015,723	1,740,333,978	3,509,685,917	2,644,743,289	18,997,699	(220,423,431)	27,563,477,598
Earnings before interest, taxes and depreciation and amortization	8,519,084,451	1,279,325,196	1,545,658,319	580,580,088	2,651,193,446	1,314,869,953	(12,658,734)	–	15,878,052,719
Depreciation and amortization	3,643,721,836	683,538,836	908,127,001	442,081,154	683,632,338	818,528,388	–	–	7,179,629,553
Earnings (loss) before interest and taxes	4,875,362,615	595,786,360	637,531,318	138,498,934	1,967,561,108	496,341,565	(12,658,734)	–	8,698,423,166
Interest income	37,760,979	4,836,907	28,799,823	316,553	6,661,998	11,862,002	299,500,230	–	389,738,492
Equity in net earnings of an associate	–	–	–	–	–	–	13,706,659	–	13,706,659
Dividend income	–	–	–	–	–	–	293,940,980	–	293,940,980
Foreign exchange gain (loss) - net	(15,956,476)	10,511,741	240,041	–	(151,756)	122,140	362,327,005	–	357,092,695
Interest expense	(1,096,235,655)	(161,115,010)	(181,289,394)	(71,063,144)	(280,460,062)	(197,972,584)	–	–	(1,988,135,849)
Others	108,632,936	–	33,732,955	4,314,113	(62,135,398)	64,198,350	73,706,630	–	222,449,586
Income before income tax	₱3,909,564,399	₱450,019,998	₱519,014,743	₱72,066,456	₱1,631,475,890	₱374,551,473	₱1,030,522,770	₱–	₱7,987,215,729
Assets and liabilities									
Segment assets	₱53,451,198,933	₱7,575,078,521	₱9,658,767,663	₱2,869,855,480	₱20,226,821,550	₱8,509,129,656	₱28,113,523,840	₱11,121,762,345	₱141,526,137,988
Investment in subsidiaries - at cost	4,662,839,856	3,888,568,592	117,564,707	–	–	–	24,130,589,151	(32,799,562,306)	–
Total segment assets	₱58,114,038,789	₱11,463,647,113	₱9,776,332,370	₱2,869,855,480	₱20,226,821,550	₱8,509,129,656	₱52,244,112,991	(₱21,677,799,961)	₱141,526,137,988
Total segment liabilities	₱37,266,515,789	₱7,152,494,621	₱4,082,617,671	₱1,896,222,908	₱11,439,936,225	₱5,149,712,270	₱107,280,002	(₱2,142,308,510)	₱64,952,470,976
Other segment information:	–	–	–	–	–	–	–	–	–
Capital expenditures	₱6,644,952,869	₱609,197,471	₱250,756,693	₱53,774,885	₱456,163,847	₱248,927,789	₱–	₱–	₱8,263,773,554

2021

	Supermarket Division	Department Store Division	DIY Division	Convenience Store Division	Drug Store Division	Specialty Store Division	Parent Company	Intersegment Eliminating Adjustments	Consolidated
Segment net sales	₱88,630,077,985	₱9,325,871,483	₱11,501,454,806	₱4,915,270,576	₱26,667,779,983	₱12,286,905,633	₱–	₱–	₱153,327,360,466
Intersegment net sales	–	–	–	–	–	–	–	–	–
Total net sales	88,630,077,985	9,325,871,483	11,501,454,806	4,915,270,576	26,667,779,983	12,286,905,633	–	–	153,327,360,466
Segment cost of merchandise sold	69,599,738,506	6,534,305,589	7,868,830,480	3,385,060,464	21,454,378,901	9,259,035,592	–	–	118,101,349,532
Intersegment cost of merchandise sold	–	–	–	–	–	–	–	–	–
Total cost of merchandise sold	69,599,738,506	6,534,305,589	7,868,830,480	3,385,060,464	21,454,378,901	9,259,035,592	-	-	118,101,349,532
Gross profit	19,030,339,479	2,791,565,894	3,632,624,326	1,530,210,112	5,213,401,082	3,027,870,041	–	–	35,226,010,934
Segment other income	417,536,599	23,756,375	2	208,662,201	128,794,407	91,214,368	–	–	869,963,952
Intersegment other income	193,224,934	–	–	–	–	–	–	(193,224,934)	–
Total other income	610,761,533	23,756,375	2	208,662,201	128,794,407	91,214,368	-	(193,224,934)	869,963,952
Gross profit including other income	19,641,101,012	2,815,322,269	3,632,624,328	1,738,872,313	5,342,195,489	3,119,084,409	-	(193,224,934)	36,095,974,886
Segment operating expenses	12,180,795,774	2,195,041,622	2,059,397,517	1,446,703,566	3,000,261,511	2,135,678,490	42,645,898	–	23,060,524,378
Intersegment operating expenses	-	5,531,451	18,513,605	–	42,694,543	14,711,746	–	(193,224,934)	(111,773,589)
Total operating expenses	12,180,795,774	2,200,573,073	2,077,911,122	1,446,703,566	3,042,956,054	2,150,390,236	42,645,898	(193,224,934)	22,948,750,789
Earnings before interest, taxes and depreciation and amortization	7,460,305,238	614,749,196	1,554,713,206	292,168,747	2,299,239,435	968,694,173	(42,645,898)	–	13,147,224,097
Depreciation and amortization	3,414,446,057	670,983,537	1,023,781,910	502,699,702	597,033,260	878,828,316	–	–	7,087,772,782
Earnings (loss) before interest and taxes	4,045,859,181	(56,234,341)	530,931,296	(210,530,955)	1,702,206,175	89,865,857	(42,645,898)	–	6,059,451,315
Interest income	9,882,549	2,172,751	9,167,434	305,781	3,481,001	3,510,299	418,308,676	–	446,828,491
Equity in net earnings of an associate	–	–	–	–	–	–	292,071,188	–	292,071,188
Dividend income	–	–	–	–	–	–	76,941,788	–	76,941,788
Foreign exchange gain (loss) - net	(7,892,053)	3,468,817	(1,980)	-	(98,525)	637,345	233,910,972	–	230,024,576
Interest expense	(1,025,671,764)	(166,920,441)	(251,637,592)	(98,699,716)	(224,995,193)	(192,968,496)	–	–	(1,960,893,202)
Others	43,415,801	–	30,654,285	11,394,979	1,238,517	16,048,729	21,902,517	–	124,654,828
Income before income tax	₱3,065,593,714	(217,513,214)	₱319,113,443	(297,529,911)	₱1,481,831,975	(82,906,266)	₱1,000,489,243	₱–	₱5,269,078,984
Assets and liabilities									
Segment assets	₱45,298,686,353	₱6,935,262,324	₱10,671,724,178	₱3,512,907,430	₱18,539,760,317	₱8,759,187,778	₱25,927,959,709	₱14,588,794,510	₱134,234,282,599
Investment in subsidiaries - at cost	4,614,291,927	3,679,182,333	–	–	–	–	24,132,839,151	(32,426,313,411)	–
Total segment assets	₱49,912,978,280	₱10,614,444,657	₱10,671,724,178	₱3,512,907,430	₱18,539,760,317	₱8,759,187,778	₱50,060,798,860	(17,837,518,901)	₱134,234,282,599
Total segment liabilities	₱26,067,894,563	₱7,451,408,924	₱5,195,263,432	₱2,486,357,810	₱10,741,771,385	₱4,773,750,644	₱1,494,635,677	(₱489,517,457)	₱57,721,564,978
Other segment information:									
Capital expenditures	₱1,473,084,609	₱360,334,721	₱118,807,383	₱63,538,577	₱316,145,558	₱125,023,556	₱–	₱–	2,456,934,404

The revenue of the Group consists mainly of sales to external customers through its retail and e-commerce channels. There were no inter-segment revenue arising from purchase arrangements in 2023, 2022 and 2021. No operating segments have been aggregated to form the above reportable segments.

Capital expenditures consist of additions to property and equipment arising from current acquisitions and those acquired through business combinations plus any adjustments made in the fair values of the acquired property and equipment.

The Group has no significant customer which contributed to 10.00% or more to the revenue of the Group.

7. Cash and Cash Equivalents

This account consists of cash on hand and in banks and cash equivalents amounting to ₱13.17 billion and ₱17.77 billion as of December 31, 2023 and 2022, respectively.

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are made for varying periods of one (1) to three (3) months, depending on the immediate cash requirements of the Group, and earn annual interest at the respective short-term investment rates that ranges from 0.40% to 4.60%, 0.10% to 0.70% and 0.12% to 3.20% in 2023, 2022 and 2021, respectively.

Interest income arising from cash in banks and cash equivalents amounted to ₱152.31 million, ₱94.9 million and ₱44.56 million in 2023, 2022 and 2021, respectively.

8. Trade and Other Receivables

This account consists of:

	2023	2022
Trade (Notes 24 and 27)	**₱3,227,415,708**	₱2,915,553,193
Nontrade (Notes 24 and 27)	**741,841,847**	586,457,967
Due from franchisees (Notes 27 and 29)	**19,861,529**	59,329,996
	3,989,119,084	3,561,341,156
Less allowance for impairment losses (Notes 27 and 29)	**40,782,218**	33,788,642
	₱3,948,336,866	₱3,527,552,514

Trade receivables are noninterest-bearing and are generally on a one (1) to thirty (30) days' term.

Nontrade receivables include receivable from insurance companies amounting to ₱39.56 million and ₱56.38 million as of December 31, 2023, and 2022, respectively. The remaining balance consists of receivable from lessees, dividends receivable and interest receivable arising from short-term investments and debt securities.

Movement in the allowance for impairment losses for trade receivables is as follows:

	2023	2022
Balance at beginning of year	**₱33,788,642**	₱46,902,975
Provision for impairment losses	**30,537,733**	3,329,780
Reversals and write-off	**(23,544,157)**	(16,444,113)
Balance at end of year	**₱40,782,218**	₱33,788,642

9. Merchandise Inventories

The rollforward analysis of this account follows:

	2023	2022
Balance at beginning of year	**₱27,469,818,076**	₱25,089,664,818
Add purchases - net of purchase discounts and allowances	**148,811,462,319**	139,079,284,034
Cost of goods available for sale	**176,281,280,395**	164,168,948,852
Cost of merchandise sold	**(146,525,751,582)**	(136,538,881,790)
Allowance for inventory obsolescence	**(87,041,514)**	(160,248,986)
Balance at end of year	**₱29,668,487,299**	₱27,469,818,076

Merchandise inventories recognized at cost as of December 31, 2023 and 2022 amounted to ₱29.67 billion and ₱27.47 billion, respectively, while cost of merchandise inventories whose NRV is at nil as of December 31, 2023 and 2022 amounted to ₱87.04 million and ₱160.25 million, respectively.

The cost of merchandise inventories charged to the consolidated statements of comprehensive income amounted to ₱146.53 billion, ₱136.54 billion and ₱118.10 billion in 2023, 2022 and 2021, respectively.

Movements in the allowance for obsolescence is as follows:

	2023	2022
Balance at beginning of year	**₱160,248,986**	₱154,970,068
Provisions	**4,774,615**	62,513,748
Write-off	**(77,982,087)**	(57,234,830)
Balance at end of year	**₱87,041,514**	₱160,248,986

There are no merchandise inventories pledged as security for liabilities as of December 31, 2023 and 2022.

10. Other Current Assets

This account consists of:

	2023	2022
Input VAT - net	**₱842,133,164**	₱1,430,521,725
Prepayments	**839,873,009**	1,003,597,042
	₱1,682,006,173	₱2,434,118,767

Input VAT will be applied against output VAT in the succeeding periods. Prepayments consist of advance payments for insurance, taxes and utilities.

11. **Debt and Equity Instrument Financial Assets**

The Group's debt and equity instrument financial assets classified as FVOCI and FVTPL which are carried at fair value are as follows:

		2023	2022
Debt securities			
FVOCI with recycling	(a)	**₱2,212,805,414**	₱7,524,048,032
FVTPL	(b)	**598,121,797**	294,988,235
		2,810,927,211	7,819,036,267
Equity securities at FVOCI without recycling		**23,600,116,836**	1,146,007,501
		₱26,411,044,047	₱8,965,043,768

Debt Securities

a. The Group's debt securities consist of Peso and Dollar-denominated bond securities with fixed coupon rate per annum ranging from 4.10% to 9.50% and term of five (5) to ten (10) years.

Rollforward analysis of debt securities at FVOCI with recycling as of December 31, 2023 and 2022 follows:

	2023	2022
Amortized cost:		
At beginning of year	**₱8,014,035,816**	₱9,722,307,924
Additions	**–**	55,850,000
Disposals	**(5,054,098,209)**	(2,119,292,329)
Foreign exchange gain	**(50,454,355)**	355,170,221
At end of year	**2,909,483,252**	8,014,035,816
Amortization of discount (premium) on debt securities	**(3,115,244)**	32,851,079
Change in fair value of financial assets:		
At beginning of year	**(519,288,808)**	485,765,587
Changes in fair value recognized in OCI	**(278,457,898)**	(1,029,352,266)
Transfer to profit or loss	**104,923,447**	24,297,871
At end of year	**(692,823,259)**	(519,288,808)
Allowance for expected credit losses	**(739,335)**	(3,550,055)
	₱2,212,805,414	₱7,524,048,032

Accretion of interest pertains to the amortization of interest income resulting from the difference of the carrying value and face value of debt instrument financial assets.

Interest income arising from debt instrument financial assets amounted to ₱91.06 million, ₱288.83 million and ₱402.34 million in 2023, 2022 and 2021, respectively.

b. The Group's debt securities at FVTPL as of December 31, 2023 and 2022 amounting to ₱598.12 million and ₱294.99 million, respectively pertain to investments in Edamama Pte. Ltd., Wholeselect Technology Pte. Ltd., Quick Commerce Technologies lnc. Pte. Ltd., and Konvy Pte. Ltd. through Simple Agreement for Future Equity (SAFE).

	2023	2022
At beginning of year	**₱294,988,235**	₱143,392,265
Additions	**277,400,000**	151,595,970
Translation adjustment	**25,733,562**	–
	₱598,121,797	₱294,988,235

Equity Securities

Quoted equity securities pertain to investment in stocks listed in the PSE. The Group elected to classify irrevocably its listed equity investments (mainly AC preferred shares, a domestic listed entity) under FVOCI as it intends to hold these investments for the foreseeable future. Rollforward analysis of equity securities at FVOCI without recycling for the years ended December 31, 2023 and 2022 follows:

	December 31, 2023	December 31, 2022
Cost:		
At beginning and end of year	**₱1,197,500,000**	₱1,197,500,000
Additions	**19,478,601,036**	–
Disposals	**(60,000)**	–
	20,676,041,036	1,197,500,000
Change in fair value of equity instrument financial assets:		
At beginning of year	**(51,492,499)**	46,103,750
Changes in fair value	**2,975,566,259**	(97,596,249)
Disposals	**2,040**	–
At end of year	**2,924,075,800**	(51,492,499)
	₱23,600,116,836	₱1,146,007,501

Dividend income earned by the Group amounted to ₱1,263.75 million, ₱293.94 million, and ₱76.94 million in 2023, 2022 and 2021, respectively.

Fair value changes on debt and equity instrument financial assets attributable to the equity holders of the Parent Company follow:

	2023	2022
Balances at the beginning of year	**(₱570,076,182)**	₱532,574,462
Change in fair value during the year - OCI	**2,697,110,401**	(1,126,948,515)
Transfers to profit or loss	**104,923,448**	24,297,871
Balances at the end of year	**₱2,231,957,667**	(₱570,076,182)

Investment in Bank of the Philippine Islands (BPI)

The Board of Directors of the Parent Company, at its special meeting held on January 5, 2023, approved and confirmed the purchase of an aggregate of 4.4% effective equity interest in Bank of the Philippine Islands ("BPI") through a combination of investments in common shares of BPI and redeemable preferred shares of a holding company with an equity interest in BPI. The transactions were entered into on January 5, 2023 following the agreements signed by the Company, the seller of the shares acquired, and the investee holding company, all on the same date. On January 13, 2023, the Parent Company entered into a new shareholders agreement with the other shareholder of the investee holding company.

The redeemable preferred shares has an option to the Parent Company to have its investment in the holding company redeemed after 2 years, in exchange for either cash or BPI shares representing a 1.1% direct ownership in BPI.

The Parent Company paid for the said investments aggregating to ₱19.48 billion on January 13, 2023. Following the said agreements, the Parent Company gained a 3.3% direct interest in BPI and a 1.1% effective interest in BPI through its investment in the holding company at the time of purchase. Fair value adjustments recognized as OCI in 2023 amounted to ₱2.95 billion. Dividend income arising from the Parent Company's investments in BPI amounted to ₱0.69 billion in 2023.

Property Dividends declared by BPI
On March 15, 2023, BPI declared property dividends from its treasury shares with an entitlement ratio of 0.0896395563 share for every one (1) common shares held by a stockholder, with any fractional share paid in cash. On June 13, 2023, the SEC approved the property dividend declared by BPI. On June 21, 2023, the Parent Company received the 13,329,307 property dividend shares from BPI.

12. Property and Equipment

December 31, 2023	Land	Building and Other Equipment	Leasehold Improvements	Store Furniture and Fixtures	Office Furniture and Fixtures	Transportation Equipment	Computer Equipment	Total
Cost								
At beginning of year	**₱5,019,412,246**	**₱3,226,995,622**	**₱20,088,805,998**	**₱10,451,632,119**	**₱6,251,441,326**	**₱254,839,737**	**₱4,551,993,632**	**₱49,845,120,680**
Additions	**12,570,856**	**245,278,436**	**1,417,650,849**	**1,246,285,642**	**774,010,446**	**804,273**	**475,840,127**	**4,172,440,629**
Transfers	**–**	**–**	**(91,989,956)**	**81,884,123**	**140,119**	**–**	**8,209,239**	**(1,756,475)**
Disposals and reclassifications	**–**	**(6,085,008)**	**(521,956,572)**	**(260,997,976)**	**(41,303,113)**	**(2,335,326)**	**(29,515,465)**	**(862,193,460)**
At end of year	**5,031,983,102**	**3,466,189,050**	**20,892,510,319**	**11,518,803,908**	**6,984,288,778**	**253,308,684**	**5,006,527,533**	**53,153,611,374**
Accumulated depreciation and amortization								
At beginning of year	**–**	**1,357,082,595**	**12,130,813,265**	**7,001,884,900**	**3,492,810,833**	**225,674,795**	**2,989,294,509**	**27,197,560,897**
Depreciation and amortization (Note 21)	**–**	**221,835,829**	**1,488,189,672**	**746,634,116**	**523,301,014**	**13,431,297**	**405,246,966**	**3,398,638,894**
Disposals and reclassifications	**–**	**–**	**(519,538,906)**	**(247,372,629)**	**(28,976,423)**	**(2,335,326)**	**(36,746,693)**	**(834,969,977)**
At end of year	**–**	**1,578,918,424**	**13,099,464,031**	**7,501,146,387**	**3,987,135,424**	**236,770,766**	**3,357,794,782**	**29,761,229,814**
	₱5,031,983,102	**₱1,887,270,626**	**₱7,793,046,288**	**₱4,017,657,521**	**₱2,997,153,354**	**₱16,537,918**	**₱1,648,732,751**	**₱23,392,381,560**

December 31, 2022	Land	Building and Other Equipment	Leasehold Improvements	Store Furniture and Fixtures	Office Furniture and Fixtures	Transportation Equipment	Computer Equipment	Total
Cost								
At beginning of year	₱1,056,774,298	₱2,983,595,031	₱18,396,717,340	₱9,844,850,992	₱5,483,654,315	₱258,219,449	₱4,090,056,833	₱42,113,868,258
Additions	3,962,637,948	243,967,555	2,005,470,993	718,613,086	825,867,839	993,337	506,222,796	8,263,773,554
Disposals and reclassifications	–	(566,964)	(313,382,335)	(111,831,959)	(58,080,828)	(4,373,049)	(44,285,997)	(532,521,132)
At end of year	5,019,412,246	3,226,995,622	20,088,805,998	10,451,632,119	6,251,441,326	254,839,737	4,551,993,632	49,845,120,680
Accumulated depreciation and amortization								
At beginning of year	–	1,212,808,458	11,016,332,018	6,378,880,208	3,026,608,065	193,473,849	2,665,719,113	24,493,821,711
Depreciation and amortization (Note 21)	–	144,841,101	1,355,374,632	710,196,405	489,425,186	13,827,511	372,676,010	3,086,340,845
Disposals and reclassifications	–	(566,964)	(240,893,385)	(87,191,713)	(23,222,418)	18,373,435	(49,100,614)	(382,601,659)
At end of year	–	1,357,082,595	12,130,813,265	7,001,884,900	3,492,810,833	225,674,795	2,989,294,509	27,197,560,897
	₱5,019,412,246	₱1,869,913,027	₱7,957,992,733	₱3,449,747,219	₱2,758,630,493	₱29,164,942	₱1,562,699,123	₱22,647,559,783

In December 2021, RSC acquired ownership in VHI for a total consideration of ₱40.87 million equivalent to 30% ownership. On June 1, 2022, the Company purchased the remaining 70% of VHI for a total consideration of ₱236.6 million. The transaction is treated as an acquisition of assets.

On November 9, 2020, RSC acquired 100% ownership of JMBHC for a total consideration amounting to ₱411.77 million. JMBHC's only asset is related to land leased out to RSCI. The transaction is treated as an acquisition of assets. On July 9, 2021, JMBHC was merged with RSC, the surviving entity.

In 2023 and 2022, the Group disposed property and equipment with net book value of ₱27.22 million and ₱149.92 million, respectively. Cost of fully depreciated property and equipment still in use amounted to ₱14.09 billion and ₱12.52 billion as of December 31, 2023 and 2022, respectively.

There are no property and equipment pledged as security for liabilities as of December 31, 2023 and 2022.

13. Investment in Associates

This account consists of investments in shares of stocks as follows (Note 2):

	2023	2022
G2M	**₱944,389,927**	₱881,200,636
GoTyme	**405,062,253**	342,153,153
HD Retail	**313,821,971**	113,683,012
Super Pumped Pte. Ltd.	**58,055,500**	55,893,191
TCCI	–	235,406,514
DAVI	–	6,809,960
	₱1,721,329,651	₱1,635,146,466

Merger between RBC and BPI
In relation to the ownership interest of the Group in RBC, the BOD of RRHI at its meeting held on September 30, 2022, approved the execution of an agreement among Bank of the Philippine Islands (BPI), RRHI and JG Summit Capital Services Corporation (JG Capital) for the merger of BPI and RBC, with BPI as the surviving entity, subject to the shareholders and regulatory approvals (i.e., Philippine Competition Commission, Bangko Sentral ng Pilipinas, Philippine Deposit Insurance Corporation, and Securities and Exchange Commission). Upon the effectivity of the merger, both the Parent Company and JG Capital will become shareholders of the merged entity. On January 17, 2023, the aforementioned merger was approved by the stockholders of BPI. In 2022, the parties to the merger were also able to determine the exchange ratio to be used in the share swap.

As a result of events and agreements signed in September 2022, the Group reclassified its investment in RBC from investment in associate to noncurrent asset held for sale, and thereby stopped the equity method of accounting. Management assessed, in accordance with the exchange ratio finalized, that the carrying amount of asset held for sale is lower than its fair value less cost to sell, thus, the amount recognized in the 2022 consolidated statement of financial position is equal to the carrying amount at the time of reclassification and initial recognition. In December 2023 and 2022, the Group received dividends from RBC amounting to ₱404.57 million and P122.16 million respectively, and this was recognized as income following the discontinuance of the equity method of accounting.

Relevant amounts related to RBC for 2022 are as follows:

Equity in net eanings	₱516,422,438
Share in fair value changes of financial assets at FVOCI	96,151,121
Share in remeasurement loss on retirement obligation	20,190,697
Share in translation adjustments	2,335,822

Merger Between BPI and RBC (Event after the Reporting Date)
On December 15, 2023, the Bangko Sentral ng Pilipinas ("BSP") notified BPI and RBC of the approval by the Monetary Board under Resolution No. 1633 dated December 14, 2023 of the merger between RBC and BPI, with BPI as the surviving entity, subject to compliance with the conditions stated therein.

On December 29, 2023, the Securities and Exchange Commission (SEC) approved the merger between BPI and RBC, with BPI as the surviving bank.

As a result of the receipt of all corporate and regulatory approvals, RBank and BPI have merged, effective January 1, 2024, with BPI as the surviving entity. Post-merger, RRHI will directly and indirectly own approximately 6.5% of BPI, with 2.4% coming from the Merger Shares. BPI will issue a total of 125,599,249 common shares to RRHI in relation to the Merger ("Merger Share"). The investment purchased last January 13, 2023 representing 4.4% ownership was diluted to 4.1% due to additional shares issued by BPI as a result of the merger.

G2M
On September 20, 2018, the Parent Company made an investment in G2M amounting to ₱160.65 million through convertible note which will provide the Parent Company 14.90% ownership interest upon conversion of the note. The terms of the agreement also provide and entitled the Parent Company to one (1) out of three (3) board seats. G2M is principally engaged in the business of providing neighborhood sundry stores enablement platform and software in the Philippines. G2M is incorporated in Singapore. On September 16, 2020, the Parent Company assigned its investment in G2M to NDV. In 2022 and 2021, the Group made additional cash infusion to G2M amounting to ₱495.33 million and ₱33.90 million, respectively. As of December 31, 2023, the effective ownership in G2M is at 14.07%.

Carrying value of G2M's investment as of December 31, 2023 and 2022 amounted to ₱944.39 million and ₱881.20 million, respectively. Details follow:

	2023	2022
Cost:		
Balance at beginning of year	**₱909,710,295**	₱414,378,261
Additional investment (Note 2)	–	495,332,034
Balance at end of year	**909,710,295**	909,710,295
Accumulated equity in net earnings:		
Balance at beginning of year	**(28,509,659)**	(8,223,852)
Equity in net loss	**(30,999,768)**	(20,285,807)
Balance at end of year	**(59,509,427)**	(28,509,659)
Share in translation adjustments:	**94,189,059**	–
	₱944,389,927	₱881,200,636

On February 4, 2022, G2M purchased from the Group the convertible note of Growsari for a total consideration of $4.00 million.

Total current assets and current liabilities is at $85.6 million and $0.12 million as of December 31, 2023 and $87.67 million and $0.13 million as of December 31, 2022, respectively. Total assets and liabilities of G2M is $88.26 million and $0.12 million as of December 31, 2023 and $92.2 million and $0.12 million as of December 31, 2022, respectively. Any excess of the carrying value over the share in net assets is attributable to excess premium paid for the investment.

Revenue for the years ended December 31, 2023, 2022 and 2021 is nil, $0.68 million and nil respectively. Total cost and expenses in 2023, 2022 and 2021 meanwhile is $3.98 million, $1.9 million and $0.71 million, respectively. For the years ended December 31, 2023, 2022 and 2021, G2M posted total comprehensive loss of $3.98 million, $2.58 million and $0.71 million, respectively.

GoTyme
On December 28, 2021, the Parent Company acquired 20.0% ownership interest in GoTyme or 200 million shares for a total consideration amounting to ₱200.0 million or ₱1.00 per share. GoTyme's principal activity is to carry on and engage in the business of a digital bank. GoTyme is incorporated in the Philippines and still a start-up entity. In 2023 and 2022, the Parent Company infused additional investments amounting to ₱566.02 million and ₱356.53 million with no changes in ownership interest in GoTyme.

Carrying value of GoTyme's investment as of December 31, 2023 and 2022 amounted to ₱405.06 million and ₱342.15 million, respectively. Details follow:

	2023	2022
Cost:		
Balance at beginning of year	**₱556,530,333**	₱200,000,000
Additional investment (Note 2)	**566,025,957**	356,530,333
Balance at end of year	**1,122,556,290**	556,530,333
Accumulated equity in net earnings:		
Balance at beginning of year	**(214,377,180)**	–
Equity in net loss	**(503,116,857)**	(214,377,180)
Balance at end of year	**(717,494,037)**	(214,377,180)
	₱405,062,253	₱342,153,153

Total assets and liabilities of GoTyme is ₱16.78 billion and ₱15.28 billion as of December 31, 2023 and ₱2.18 billion and ₱0.5 billion as of December 31, 2022, respectively.

In 2023 and 2022, GoTyme posted total revenues of ₱267.79 million and ₱16.61 million, respectively. Total expenses for 2023 and 2022 is ₱2.74 billion and ₱926.28 million. GoTyme commenced its commercial operations on August 1, 2022.

For the years ended December 31, 2023 and 2022, GoTyme posted net loss of ₱2.47 billion and ₱0.91 billion, respectively.

HD Retail
On June 3, 2021, NDV acquired 24.25% ownership interest in HD Retail or 7,275 shares for a total consideration amounting to ₱179.07 million or ₱24,615.00 per share. HD Retail's principal activity is to operate as a hard discount store. HD Retail is incorporated in Singapore. NDV's share in the net loss of HD Retail for 2023 and 2022 amounted to ₱242.44 million and ₱99.49 million, respectively. In 2023 and 2022, NDV infused additional investments amounting to ₱418.09 million and ₱52.39 million. As of December 31, 2023, the effective ownership in HD Retail is at 23.08%.

Carrying value of HD Retail's investment as of December 31, 2023 and 2022 amounted to ₱313.82 million and ₱113.68 million, respectively. Details follow:

	2023	2022
Cost:		
Balance at beginning of year	**₱231,471,237**	₱179,076,562
Additional investment (Note 2)	**418,089,020**	52,394,675
Balance at end of year	**649,560,257**	231,471,237
Accumulated equity in net earnings:		
Balance at beginning of year	**(117,788,225)**	(18,301,241)
Equity in net loss	**(242,439,033)**	(99,486,984)
Balance at end of year	**(360,227,258)**	(117,788,225)
Share in translation adjustments:	**24,488,972**	–
	₱313,821,971	₱113,683,012

Total current assets and current liabilities of HD Retail is $26.04 million and $23.60 million as of December 31, 2023 and $8.56 million and $6.75 million as of December 31, 2022, respectively. The total assets and liabilities of HD Retail is $85.04 million and $64.56 million as of December 31, 2023 and $31.98 million and $23.98 million as of December 31, 2022, respectively.

For the years ended December 31, 2023, 2022 and 2021, HD Retail posted total revenues of $107.94 million, $19.02 million and nil, respectively. In 2023, 2022 and 2021, HD Retail incurred total cost and expenses of $126.90 million, $26.86 million and $1.83 million, respectively.

For the years ended December 31, 2023, 2022 and 2021, HD Retail posted net comprehensive loss of $18.85 million, $7.84 million and $1.83 million, respectively.

Super Pumped
In February 2022, NDV acquired 20% ownership in Super Pumped Pte. Ltd. (Super Pumped) for a total consideration ₱61.61 million. Super Pumped is incorporated in Singapore. Carrying value of Super Pumped's investment as of December 31, 2023 and 2022 amounted to ₱58.06 million and ₱55.89 million, respectively. NDV's share in the net loss of Super Pumped for the period ended December 31, 2023 and 2022 amounted to ₱2.67 million and ₱5.72 million, respectively. Share in transation adjustment amounted to ₱4.83 million in 2023.

TCCI
On December 13, 2017, the Parent Company acquired 20.00% ownership interest in TCCI or 1.00 million shares for a total consideration amounting to ₱125.00 million or ₱25.00 per share. On March 28, 2019, the Parent Company acquired additional 875,011 common shares representing 10% ownership interest for a total consideration amounting to ₱280.00 million. Ownership interest of the Parent Company in TCCI as of December 31, 2022 and 2021 is 30%. In 2023, the Parent Company has written off its investment in TCCI due to discontinuation of its business. TCCI is incorporated in the Philippines and is the operator of BeautyMNL, an e-commerce site.

Carrying value of TCCI's investment as of December 31, 2023 and 2022 amounted to nil and ₱235.41 million, respectively. Details follow:

	2023	2022
Cost:		
Balance at beginning and end of year	**₱405,000,000**	₱405,000,000
Accumulated equity in net earnings:		
Balance at beginning of year	**(169,593,486)**	(147,659,452)
Equity in net loss	**(15,228,594)**	(21,934,034)
Balance at end of year	**(184,822,080)**	(169,593,486)
	220,177,920	235,406,514
Write-off	**(220,177,920)**	–
	₱–	₱235,406,514

DAVI

On November 16, 2018, the Parent Company subscribed 40% ownership interest in DAVI of which ₱0.40 million was paid in 2018. Ownership interest in DAVI remains the same despite the additional investments made by the Parent Company. DAVI's principal activities include processing, managing and analyzing data. DAVI is incorporated in the Philippines. On June 5, 2020, RRHI made additional capital infusion to DAVI amounting to ₱192.00 million.

Carrying value of DAVI's investment as of December 31, 2023 and 2022 amounted to nil and ₱6.81 million, respectively. Details follow:

	2023	2022
Cost:		
Balance at beginning of year	**₱432,000,000**	₱432,000,000
Additional investment	**20,000,000**	
Balance at end of year	**452,000,000**	
Accumulated equity in net earnings:		
Balance at beginning of year	**(425,190,040)**	(284,276,155)
Equity in net loss	**(26,809,960)**	(140,913,885)
Balance at end of year	**(452,000,000)**	(425,190,040)
	₱–	₱6,809,960

The total current assets and current liabilities of DAVI is ₱824.88 million and ₱1.14 billion as of December 31, 2023 and ₱881.29 million and ₱1.11 billion as of December 31, 2022, respectively. The total assets and liabilities of DAVI is at ₱897.34 million and ₱1.16 billion as of December 31, 2023 and ₱1.12 billion and ₱1.13 billion as of December 31, 2022, respectively.

For the years ended December 31, 2023, 2022 and 2021, DAVI posted total revenues of ₱223.08 million, ₱241.05 million and ₱199.98 million, respectively. In 2023, 2022 and 2021, total cost and expenses incurred is ₱515.85 million , ₱612.16 million and ₱567.88 million, respectively.

For the years ended December 31, 2023 and 2022, DAVI posted net comprehensive loss of ₱292.73 million, ₱371.10 million and ₱367.9 million, respectively.

The Group's unrecognized share in net loss of DAVI in 2023 amounted to ₱90.28 million.

VKD Holdings

In December 2021, RSC acquired 30% ownership in VKD Holdings, Inc. (VHI) for a total consideration ₱40.87 million. VHI is a holding of a company whose principal activity is to engage in business of holding, selling and assigning, transfer and exchange of real property and personal property of any kind. Carrying value of VHI's investment as of December 31, 2021 amounted to ₱40.87 million. In 2022, RSC acquired the remaining 70% ownership in VHI for a total consideration of ₱236.63 million. The transaction is treated as an acquisition of an asset.

Growsari

On August 16, 2018, RSC made an investment in GrowSari amounting to ₱105.00 million through convertible note which will provide the Company 28.60% ownership interest upon conversion of the note. The terms of the agreement also provide technical information and entitled the Company to two (2) out of seven (7) board seats. GrowSari is engaged in selling wholesale goods to sari sari business owners. GrowSari is incorporated in the Philippines.

Carrying value of Growsari's investment as of December 31, 2022 follows:

Shares of stock – at equity:	
At beginning of year	₱105,000,000
Return of investment	(105,000,000)
At end of year	–
Accumulated equity in net earnings:	
At beginning of year	(105,000,000)
Gain on reversal of accumulated equity in net loss	105,000,000
At end of year	–
	₱–

On February 4, 2022, G2M purchased from the Group the convertible note of Growsari for a total consideration of $4.00 million. Gain on reversal of accumulated equity is presented under "Other income (charges)" in the consolidated statements of comprehensive income.

The Group assesses impairment on its investments in associates whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In 2023 and 2022, the Group did not recognize any impairment loss on its investments in associates.

14. Intangible Assets

This account consists of:

	2023	2022
Goodwill (Note 19)	**₱14,725,338,315**	₱14,725,338,315
Trademarks (Note 19)	**7,950,917,598**	7,915,917,598
Franchise	**3,602,129**	4,360,472
	₱22,679,858,042	₱22,645,616,385

Goodwill
The Group's goodwill as of December 31, 2023 and 2022 pertains to the excess of the acquisition cost over the fair value of the net assets of acquired subsidiaries which also represents separate CGUs. Details follow (Note 19):

	Amounts
RSCI (Note 19)	₱9,109,386,061
RPI (Note 19)	2,343,614,826
TGPPI	1,281,428,830
SSDI	745,887,131
SEWI	715,103,869
EC	199,870,222
RHIB	145,655,320
RTSHPI	85,161,468
JRMC	71,732,435
HPTDI	4,248,153
GPC	23,250,000
	₱14,725,338,315

Trademarks
The trademarks were acquired through business combinations and were recognized at fair value at the date of acquisition. Details follow:

	2023	2022
RSCI (Note 19)	**₱3,205,411,607**	₱3,205,411,607
RPI (Note 19)	**1,514,575,531**	1,514,575,531
SSDI	**1,566,917,532**	1,566,917,532
TGPPI	**1,264,098,435**	1,264,098,435
SEWI	**364,914,493**	364,914,493
SFI	**35,000,000**	–
	₱7,950,917,598	₱7,915,917,598

Included in the trademarks acquired through acquisition of RSCI in 2018 is the right to use a brand and trademark for a period of almost five (5) years. In 2020, the Group impaired the remaining value of trademarks amounting to ₱115.59 million.

Franchise
On January 10, 2018, Pet Lovers Centre International Pte. Ltd, granted the Group the right to develop its business including its trademarks, system, manuals and image in the Philippines for ₱7.58 million. The Group started Pet Lovers Centre operations in October 2018. The franchise shall be amortized using straight-line method over a period of ten (10) years.

The rollforward analysis of the franchise follows:

	2023	2022
Beginning balance	**₱4,360,472**	₱5,118,811
Amortization (Note 21)	**(758,343)**	(758,339)
Ending balance	**₱3,602,129**	₱4,360,472

15. Other Noncurrent Assets

This account consists of:

	2023	2022
Security and other deposits	**₱2,415,443,907**	₱2,337,728,937
Construction bonds	**79,924,253**	59,831,870
	₱2,495,368,160	₱2,397,560,807

The Group has paid security and other deposits mainly consist of advances for the lease of stores with carrying amounts of ₱2.42 billion and ₱2.34 billion as of December 31, 2023 and 2022, respectively, which are refundable at the end of the lease term (see Note 28). The present value of these deposits was computed using incremental borrowing rates from 6.90% to 8.80%. Interest income recognized from these security deposits amounted to ₱2.24 million for the year ended December 31, 2023.

16. Trade and Other Payables

This account consists of:

	2023	2022
Trade	**₱16,425,896,482**	₱14,613,653,620
Nontrade (Note 24)	**9,323,001,492**	11,791,754,628
Others	**1,149,688,056**	1,084,937,004
	₱26,898,586,030	₱27,490,345,252

Trade payables are noninterest-bearing and are normally settled on forty-five (45) to sixty (60) in days' term arising mainly from purchases of merchandise inventories for resale.

Nontrade payables mainly consist of liabilities relating to short-term rentals, and suppliers of services such as security and safety, utilities and repairs and maintentnace, contract liabilities, interest payable and due to related parties. The terms and conditions of related party transactions are separately disclosed in Note 24.

Others mainly consist of taxes and licenses payable.

Contract Liabilities
The Group identified its gift check outstanding, accrued customer loyalty rewards and deferred revenue, recorded under nontrade payables, as contract liabilities as of December 31, 2023 and 2022. These represent the Group's obligation to provide goods or services to the customers for which the Group has received consideration from the customers. Substantially, all of the contract liabilities at year-end will be recognized as revenue in the following year.

	2023	2022
Gift check outstanding	**₱235,259,791**	₱239,492,755
Deferred revenue	**169,942**	1,551,192
	₱235,429,733	₱241,043,947

Below is the rollforward of contract liabilities as December 31, 2023 and 2022:

	2023	2022
At January 1	**₱241,043,947**	₱243,488,155
Deferred during the year	**548,009,350**	537,402,450
Recognized as revenue during the year	**(553,623,564)**	(539,846,658)
At December 31	**₱235,429,733**	₱241,043,947

17. **Loans Payable**

Short-term Loans
Details of short-term loans are as follow:

	2023	2022
Balance at beginning of year	**₱8,409,000,000**	₱7,734,000,000
Availments	**14,198,909,471**	5,395,000,000
Payments	**(14,478,909,471)**	(4,720,000,000)
Balance at end of year	**₱8,129,000,000**	₱8,409,000,000

The balances of the short-term loans of the subsidiaries are as follows:

	2023	2022
RSC	**₱4,270,000,000**	₱3,750,000,000
SSDI	**3,089,000,000**	3,389,000,000
RHDDS	**405,000,000**	385,000,000
RPI	**300,000,000**	250,000,000
HPTD	**35,000,000**	15,000,000
SUPER50	**30,000,000**	–
RCSI	–	620,000,000
	₱8,129,000,000	₱8,409,000,000

a.) RSC's short-term loans payable consist of loans availed from a local commercial bank at interest rates of 5.80%- 6.60% per annum in 2023 and 2.55%-5.80% per annum in 2022. In 2023 and 2022, RSC availed short-term loans amounting to ₱6.52 billion and ₱4.75 billion, respectively. In 2023 and 2022, RSC paid ₱6.47 billion and ₱3.00 billion, respectively. The short-term loans payable of RSC as of December 31, ,2023 and 2022 amounted to ₱4.27 billion and ₱3.75 billion, respectively.

b.) SSDI's short-term loans payable consist of loans availed from local commercial banks at interest rates of 5.80%-6.50% per annum in 2023 and 2.30%-5.80% per annum in 2022. In 2022, SSDI availed short-term loans amounting to ₱150.00 million. In addition, SSDI paid ₱300.00 million and ₱370.0 million in 2023 and 2022, respectively. The short-term loans payable of SSDI as of December 31, 2023 and December 31, 2022 amounted to ₱3.09 billion and ₱3.39 billion, respectively.

c.) RHDDS's short-term loans payable consist of a loan availed from a local commercial bank at an interest rates of 5.9%-6.75% per annum in 2023 and 2.40%-5.90% per annum in 2022. RHDDS availed loans in the amount of ₱240.00 million and paid ₱220.00 million in 2023. The Company paid ₱220.0 million in 2023. The short-term loans payable as of December 31, 2023 and December 31, 2022 amounted to ₱405.00 million and ₱385.00 million, respectively.

d.) RPI's short-term loans payable consists of loans availed from a local commercial bank at an interest rate of 5.5% - 6.60% per annum in 2023 and 2.40% - 5.50% per annum in 2022. In 2023 and 2022, RPI availed short-term loan amounting to ₱300.00 million and ₱700.00 million, respectively. In addition, RPI paid ₱250.00 million and ₱900.00 million in 2023 and 2022, respectively. The short-term loans payable as of December 31, 2023 and December 31, 2022 amounted to ₱300.00 million and ₱250.00, respectively.

e.) HPTD's short-term loans payable consist of loans availed from local commercial banks at an interest rates of 6.0%-6.75% per annum in 2023 and 2.40% - 5.70% per annum in 2022. In 2023 and 2022, HPTD availed short-term loan amounting to ₱35.00 million and ₱15.00 million, respectively. In 2023 and 2022, HPTD paid ₱15.00 million and ₱25.00 million, respectively. The short-term loans payable as of December 31, 2023 and December 31, 2022 amounted to ₱35.00 million and ₱15.00 million, respectively.

f.) SUPER50 availed a short-term loan of ₱35.00 million at an interest rate of 6.35% - 6.60% per annum in 2023. SUPER50 paid ₱5.00 million in 2023. The short-term loans payable as of December 31, 2023 amounted to ₱30.00 million.

g.) RCSI's short-term loans payable consist of loans availed from a local commercial bank at interest rates of 6.0%- 6.75% per annum in 2023 and 2.40% - 5.00% per annum in 2022. In 2023 and 2022, RCSI availed short-term loan amounting to ₱70.00 million and ₱100.00 million, respectively. In addition, RCSI paid ₱220.00 million in 2023 and ₱450.00 million in 2022. The short-term loans payable as of December 31, 2022 amounted to ₱620.00 million. Outstanding balance of short terms loans payable was transferred to RSC upon effectivity of merger between RSC and RCSI.

h.) On January 13, 2023, the Parent Company borrowed ₱17.15 billion under Term Loan Facility Agreement with Metropolitan Bank & Trust Company to partially finance the purchase of shares in BPI (Note 11). The loan was released on January 13, 2023 amounting to ₱17.15 billion with interest rate at 6.00% per annum. On April 13, 2023, the Parent Company paid the loan amounting to ₱6.50 billion and the remaining balance was refinanced by long term loan amounting to ₱10.65 billion with interest rate at 6.75% per annum. On June 7, 2023, the Parent Company borrowed ₱1.80 billion under Term Loan Facility Agreement with Metropolitan Bank & Trust Company with interest rate at 6.30% per annum. The Parent Company paid the loan amounting to ₱0.30 billion and ₱1.50 billion on July 10, 2023 and July 17, 2023, respectively.

Long-term Loans
On April 11, 2023, RRHI and RSC availed a long-term loan of ₱10.65 billion and ₱4.84 billion with an interest rate of 6.75% per annum payable after five years. The loan was used to acquire 4.4% ownership in BPI (Note 11). The transaction cost pertaining to documentary stamp tax on long-term loan amounting to ₱116.18 million was capitalized and amortized over the term of loan. Partial payment for the long-term loan amounting to ₱2.15 billion was made on October 13, 2023.

Principal	₱15,490,000,000
Deferred financing costs	
Cost upon availment	(116,175,000)
Amortization	16,336,663
Balance at end of year	(99,838,337)
Payments	(2,150,000,000)
	₱13,240,161,663

The balances of the long-term loans as of December 31, 2023 follows:

	Amounts
RRHI	₱8,431,954,189
RSC	4,808,207,474
	₱13,240,161,663

The long-term loan of RRHI and RSC is subject to certain covenants including maintaining a maximum net debt-to-equity ratio of 2:1. As of December 31, 2023, RRHI and RSC is in compliance with the required ratio.

Total interest expense charged to operations amounted to ₱1,447.56 million, ₱225.57 million and ₱159.27 million in 2023, 2022 and 2022, respectively.

18. Equity

Capital Stock

The details of this account follow:

	Number of Shares					
	Authorized			Issued and Outstanding		
	2023	2022	2021	**2023**	2022	2021
Issued	**1,576,489,360**	1,576,489,360	1,576,489,360	**1,576,489,360**	1,576,489,360	1,576,489,360
Less: Treasury stock	**–**	–	–	**(118,891,960)**	(97,313,220)	(64,479,160)
Issued and outstanding	**1,576,489,360**	1,576,489,360	1,576,489,360	**1,457,597,400**	1,479,176,140	1,512,010,200

	Amount		
	2023	2022	2021
Common stock - ₱1 par value			
Authorized shares	**₱2,000,000,000**	₱2,000,000,000	₱2,000,000,000
Outstanding shares	**1,457,597,400**	1,479,176,140	1,512,010,200
Treasury shares	**6,410,402,228**	5,425,324,182	3,616,057,963

Registration Track Record

On November 11, 2013, the Parent Company listed with the Philippine Stock Exchange (PSE) its common stock wherein it offered 484,750,000 shares to the public at ₱58.00 per share. All shares were sold. Of the total shares sold, 18,871,950 shares were subsequently reacquired by the Parent Company at ₱58.00 per share or an aggregate cost of ₱1,094.57 million. The Parent Company incurred transaction costs incidental to the IPO amounting ₱745.65 million, charged against "Additional paid-in capital".

On December 9, 2014, the Parent Company sold its treasury shares at ₱69.00 per share or ₱1,309.06 million, incurring transaction costs amounting to ₱8.22 million.

On November 23, 2018, the Parent Company issued 191,489,360 new common shares for the acquisition of RSCI (Notes 1 and 19). The market value of the share amounted to ₱72.05 per share on November 23, 2018. Transaction cost related to the issuance of new shares amounted to ₱64.50 million.

On October 14, 2021, RRHI applied with the PSE the listing of 191,489,360 shares, that were issued to Mulgrave Corporation B.V (MCBV) in 2018, for a total transaction cost of ₱20.16 million. The PSE approved the listing on January 26, 2022.

Treasury stock

On March 9, 2020, the Parent Company's BOD authorized the buyback of RRHI's common shares of up to ₱2.00 billion. The repurchased shares are presented under the 'Treasury stock' account in the consolidated statement of changes in equity.

On February 26, 2021, the BOD of the Parent Company agreed to extend the share buyback program for an additional amount of ₱2.00 billion to improve shareholder value. This was on top of the ₱2.00 billion share buyback program approved on March 9, 2020.

On February 11, 2022 and April 27, 2022, the BOD of the Parent Company agreed to extend the share buyback program for a total amount of ₱2.00 billion to improve shareholder value. This was on top of the ₱4.00 billion share buyback program approved in 2020 and 2021.

On November 16, 2023, the BOD of the Parent Company agreed to extend the share buyback program for an additional amount of ₱1.00 billion to improve shareholder value. This was on top of the ₱6.00 billion share buyback program approved in 2020, 2021 and 2022.

The share buyback program has been implemented in the open market through the trading facilities of the PSE and continues to be supervised by the President and Chief Executive Officer and Chief Financial Officer, as authorized by the BOD.

As of December 31, 2023 and 2022, RRHI has repurchased 118.89 million shares for ₱6,410.40 million and 97.31 million shares for ₱5,425.32 million, respectively, under the buyback program. Under the Revised Corporation Code, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired.

Equity Reserve

Details of equity reserve follow:

	2023	2022	2021
Acquisition of additional shares from non-controlling interest			
Beginning	**(₱742,678,028)**	(₱995,284,977)	(₱995,284,977)
Additions/Deductions	**–**	252,606,949	–
Ending	**(₱742,678,028)**	(₱742,678,028)	(₱995,284,977)

Acquisition of Additional Shares from a Non-Controlling Shareholder

On February 22, 2022, RSC acquired Ministop Japan's (MSJ) 40% stake in RCSI for a consideration of ₱209.39 million, increasing its share from 60% to 100%. The Group recognized equity reserve from the acquisition amounting to ₱225.47 million representing the difference between the consideration and the net book value of NCI.

On July 1, 2022, the Group bought the remaining 33% ownership in RHIB from an NCI for a total consideration of ₱117.56 million. The Group recognized equity reserves in the amount of ₱27.13 million representing the difference between the consideration and the net book value of NCI.

On December 5, 2014, RSC acquired additional 2,500,000 common shares, representing 25%, of RHMI from a non-controlling shareholder for ₱1.45 billion. The Group recognized equity reserve from the acquisition amounting to ₱1.02 billion. In 2015, the total consideration was adjusted from ₱1.45 billion to ₱1.48 billion. The difference is recognized as an adjustment to equity reserve.

The equity reserve from the acquisition will only be recycled to the consolidated statements of comprehensive income in the event that RSC will lose its control over RHMI.

Retained Earnings
The income of the subsidiaries and accumulated equity in net income of the associates that are recognized in the consolidated statements of comprehensive income are not available for dividend declaration unless these are declared by the subsidiaries and associates. The accumulated earnings of subsidiaries included in retained earnings amounted to ₱24.52 billion and ₱20.76 billion as of December 31, 2023 and 2022, respectively, while the accumulated equity in net income of the associates amounted to ₱1,034.04 million and ₱1,672.62 million as of December 31, 2023 and 2022, respectively (Note 13).

Dividend Declaration
Details of the Parent Company's dividend declarations follow:

	2023	2022	2021
Date of declaration	**May 12, 2023**	April 27, 2022	April 27, 2021
Dividend per share	**₱2.00**	₱2.00	₱1.83
Total dividends	**₱2,944,699,580**	₱2,984,905,600	₱2,813,524,076
Date of record	**May 26, 2023**	May 20, 2022	May 20, 2021
Date of payment	**June 9, 2023**	June 10, 2022	June 10, 2021

Appropriation of Retained Earnings
Rollforward analysis of appropriated retained earnings follows:

	2023	2022	2021
Balance at beginning of year	**₱17,277,752,847**	₱23,965,752,847	₱27,852,852,847
Appropriation	**332,000,000**	1,528,000,000	888,500,000
Reversal of appropriation	**(1,204,000,000)**	(8,216,000,000)	(4,775,600,000)
Balance at end of year	**₱16,405,752,847**	₱17,277,752,847	₱23,965,752,847

In 2023, the Group's BOD approved the appropriation of retained earnings which shall be used to augment new stores with the Group's nationwide expansion which is expected to complete in next two (2) to five (5) years. Details are as follows:

Entity	Amount
RHMI	₱202,000,000
WHMI	40,000,000
RAC	90,000,000
	₱332,000,000

In 2022, the Group's BOD approved the appropriation of retained earnings which shall be used to augment new stores with the Group's nationwide expansion which is expected to complete in next two (2) to five (5) years. Details are as follows:

Entity	Amount
RRHI	₱530,000,000
RHMI	407,000,000
WHMI	54,000,000
RTSHPI	30,000,000
RDSI	162,000,000
RAC	345,000,000
	₱1,528,000,000

On December 10, 2021, the Group's BOD approved the appropriation of retained earnings which shall be used to augment new stores with the Group's nationwide expansion which is expected to complete in next two (2) to five (5) years. Details are as follows:

Entity	Amount
RHMI	₱564,000,000
RDSI	162,000,000
WHMI	101,000,000
HEMI	2,500,000
RTSHPI	59,000,000
	₱888,500,000

Reversal of appropriation
In 2023, the BOD of the subsidiaries of the Group approved the reversal of appropriated retained earnings due to completion of certain store expansions and renovations. Details are as follow:

Entity	Amount
RHMI	₱1,000,000,000
WHMI	200,000,000
HEMI	4,000,000
	₱1,204,000,000

In 2022, the BOD of the subsidiaries of the Group approved the reversal of appropriated retained earnings due to completion of certain store expansions and renovations. Details are as follow:

Entity	Amount
RSC	₱7,000,000,000
RRHI	530,000,000
RHMI	278,000,000
RDSI	162,000,000
WHMI	11,000,000
RAC	235,000,000
Total	₱8,216,000,000

On December 10, 2021, the BOD of the subsidiaries of the Group approved the reversal of appropriated retained earnings due to completion of certain store expansions and renovations. Details are as follow:

Entity	Amount
RHMI	₱484,000,000
RDSI	162,000,000
WHMI	67,000,000
RTSHPI	50,000,000
RAC	10,000,000
HEMI	2,600,000
Total	₱775,600,000

On February 6, 2021, the Parent Company's BOD authorized and approved the reversal of the appropriation of ₱4.00 billion from the retained earnings as of December 31, 2020 due to completion of investment program to augment funds of subsidiaries for the construction and renovation of stores in line with the expansion in various locations nationwide.

In 2020, the BOD of the subsidiaries of the Group approved the reversal of appropriated retained earnings of RAC amounting to ₱40.00 million due to completion of certain store expansions and renovations.

Declaration of Dividends of the Subsidiaries
In 2023, the BOD of the below subsidiaries approved the declaration of cash dividends as follows:

Entity	Date of declaration	Amount
RRHI - TMI	September 1	₱1,000,000,000
RHMI	March 9	1,000,000,000
SSDI	June 30	288,218,888
TGPPI	May 5	200,000,000
TGPPI	June 30	200,000,000
WHI	March 20	100,000,000
RTSHPI	March 6	5,000,000
Total		₱2,793,218,888

Of these amounts, ₱583.99 million relate to non-controlling interest.

In 2022, the BOD of the below subsidiaries approved the declaration of cash dividends as follows:

Entity	Date of declaration	Amount
RSC	April 1	₱2,500,000,000
RSC	December 9	4,500,000,000
RRHI - TMI	April 27	700,000,000
RRHI - TMI	December 1	740,000,000
RHMI	February 14	300,000,000
SEWI	August 2	230,000,000
TGP	March 28	200,000,000
TGP	July 1	200,000,000
TGP	September 1	200,000,000
TGP	November 15	150,000,000
RTSHPI	March 29	5,000,000
Total		₱9,725,000,000

Of these amounts, ₱452.17 million relate to non-controlling interest.

On June 1, 2021 and December 1, 2021, the BOD of TGP approved the declaration of cash dividends amounting to ₱340.0 million and ₱340.0 million, respectively, which was paid on June 10, 2021 and December 6, 2021, respectively. Of these amounts, ₱332.20 million relate to non-controlling interest.

NCI
Acquisition of NCI
In 2022, the Group acquired NCI in RCSI and VKD Holding increasing the Group's ownership stake from 60% to 100% and 70% to 100%, respectively.

Investment from NCI
In August 2022, an NCI made an investment in SUPER50 amounting to ₱12.25 million. In September 2020, an NCI made an investment in SSDI amounting to ₱200.0 million.

Material Partly-Owned Subsidiary
In 2023 and 2022, the Group has 45.9% and 49.00% proportion of equity interest held by non-controlling interests attributable to TGPPI, respectively. Accumulated balances of material non-controlling interest amounted to ₱596.56 million, ₱598.03 million and ₱577.47 million in 2023, 2022 and 2021, respectively. Profit allocated to material non-controlling interest amounted to ₱388.52 million, ₱311.08 million and ₱325.31 million in 2023, 2022 and 2021, respectively. Total assets of TGPPI as of December 31, 2023 and 2022 amounted to ₱2,505.31 million and ₱2,080.22 million, respectively, while total liabilities as of December 31, 2023 and 2022 amounted to ₱1,209.36 million and ₱974.80 million, respectively. Total sales in 2023, 2022 and 2021 amounted to ₱5,421.46 million, ₱5,043.00 million and ₱4,940.03 million, respectively. Net income in 2023, 2022 and 2021 amounted to ₱846.44 million, ₱677.74 million and ₱648.99 million, respectively.

Capital Management
The primary objective of the Group's capital management policy is to ensure that it maintains healthy capital in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for the years ended December 31, 2023 and 2022.

The Group considers the following as its main sources of capital:

	2023	2022
Capital stock	**₱1,576,489,360**	₱1,576,489,360
Additional paid-in capital	**40,768,202,897**	40,768,202,897
Treasury stock	**(6,410,402,228)**	(5,425,324,182)
Other comprehensive income	**2,266,083,092**	(417,678,756)
Equity reserve	**(742,678,028)**	(742,678,028)
Retained earnings		
Appropriated	**16,405,752,847**	17,277,752,847
Unappropriated	**21,416,540,368**	19,392,171,193
Total equity attributable to equity holders of the Parent Company	**75,279,988,308**	72,428,935,331
Non-controlling interest in consolidated subsidiaries	**4,097,903,734**	4,144,731,681
	₱79,377,892,042	₱76,573,667,012

19. **Business Combinations**

Business Combination and Goodwill
On October 30, 2020, SSDI acquired 100% of RPI for a total consideration of ₱4.33 billion. RPI was incorporated in the Philippines and is primarily engaged in the business of trading medical and pharmaceutical goods, on either wholesale or retail basis.

There were no adjustments to the provisional amounts that were made during the measurement period. The final purchase price allocation resulted in goodwill of ₱2.34 billion. The goodwill of ₱2.34 billion comprises the fair value of expected synergies arising from acquisition.

Acquisition of RSCI
On March 23, 2018, the BOD of RRHI and MCBV approved the acquisition by RRHI of MCBV's 100% stake in RSCI through a share for share swap involving shares of RSCI in exchange for primary common shares of RRHI equivalent to 12.15% stake. RSCI was incorporated in the Philippines and operates food retail brands "Marketplace by Rustan's", "Rustan's Supermarket", "Shopwise Hypermarket", "Shopwise Express" and "Wellcome".

RRHI agreed to pay MCBV at an agreed price which was settled by the issuance of 191.49 million new RRHI common shares as consideration for the value of the net assets of RSCI. RRHI engaged an independent financial advisor to review the transaction and render a fairness opinion on the transaction and the consideration payable by RRHI. The independent financial advisor completed its review and concluded that the acquisition of the net assets is fair and reasonable and in the interest of RRHI shareholders as a whole.

The acquisition was completed on November 23, 2018 as agreed in the Shareholders Agreement which is seven days after the confirmation by the SEC of the valuation of the entire issued share capital of RSCI to be exchanged for the primary shares of RRHI on November 16, 2018.

Approvals (i) and (ii) were obtained on May 28, 2018 and August 16, 2018, respectively. On November 23, 2018, the market value of RRHI shares amounted to ₱72.05 per share. Transaction costs related to the issuance of new shares amounted to ₱64.50 million was charged to 'Additional paid-in capital'.

In 2019, the Group finalized the purchase price allocation and the fair value computation of goodwill. There were no adjustments to the provisional amounts that were made during the measurement period. The final purchase price allocation resulted in goodwill of ₱9.11 billion. The goodwill of ₱9.11 billion comprises the fair value of expected synergies arising from acquisition.

20. Sales Revenue

Sales are recognized from customers at the point of sale in the stores and upon delivery.

Sales returns and sales discounts deducted from the sales to arrive at the net sales amounted to ₱7.22 billion, ₱6.58 billion and ₱5.73 billion in 2023, 2022 and 2021, respectively.

Disaggregated revenue information
Set out below is the disaggregation of the Company's revenue from contracts with customers:

	For the year ended December 31, 2023						
Segments	**Supermarket**	**Department Store**	**DIY**	**Convenience Store**	**Drug Store**	**Specialty Store**	**Total**
Type of goods or service							
Sale of goods - retail	**₱108,594,439,084**	**₱16,269,769,388**	**₱12,305,507,597**	**₱5,345,375,043**	**₱33,388,304,028**	**₱15,231,005,331**	**₱191,134,400,471**
Sale of merchandise to franchisees	**–**	**–**	**–**	**991,461,138**	**–**	**–**	**991,461,138**
Franchise revenue	**–**	**–**	**–**	**1,381,250**	**33,905,905**	**–**	**35,287,155**
Royalty fee	**–**	**–**	**–**	**124,624,907**	**98,252,402**	**–**	**222,877,309**
	₱108,594,439,084	**₱16,269,769,388**	**₱12,305,507,597**	**₱6,462,842,338**	**₱33,520,462,335**	**₱15,231,005,331**	**₱192,384,026,073**
Timing of revenue recognition							
Goods transferred at point in time	**₱108,594,439,084**	**₱16,269,769,388**	**₱12,305,507,597**	**₱6,336,836,181**	**₱33,388,304,028**	**₱15,231,005,331**	**₱192,125,861,609**
Services transferred over time	**–**	**–**	**–**	**126,006,157**	**132,158,307**	**–**	**258,164,464**
	₱108,594,439,084	**₱16,269,769,388**	**₱12,305,507,597**	**₱6,462,842,338**	**₱33,520,462,335**	**₱15,231,005,331**	**₱192,384,026,073**

Segments	Supermarket	Department Store	DIY	Convenience Store	Drug Store	Specialty Store	Total
	For the year ended December 31, 2022						
Type of goods or service							
Sale of goods - retail	₱101,120,155,448	₱15,035,649,818	₱12,403,416,128	₱5,060,637,309	₱29,485,500,238	₱14,704,116,292	₱177,809,475,233
Sale of merchandise to franchisees	–	–	–	1,011,593,827	–	–	1,011,593,827
Franchise revenue	–	–	–	250,641,591	25,562,643	–	276,204,234
Royalty fee	–	–	–	172,871,514	56,652,518	–	229,524,032
	₱101,120,155,448	₱15,035,649,818	₱12,403,416,128	₱6,495,744,241	₱29,567,715,399	₱14,704,116,292	₱179,326,797,326
Timing of revenue recognition							
Goods transferred at point in time	₱101,120,155,448	₱15,035,649,818	₱12,403,416,128	₱6,072,231,136	₱29,485,500,238	₱14,704,116,292	₱178,821,069,060
Services transferred over time	–	–	–	423,513,105	82,215,161	–	505,728,266
	₱101,120,155,448	₱15,035,649,818	₱12,403,416,128	₱6,495,744,241	₱29,567,715,399	₱14,704,116,292	₱179,326,797,326

Segments	Supermarket	Department Store	DIY	Convenience Store	Drug Store	Specialty Store	Total
	For the year ended December 31, 2021						
Type of goods or service							
Sale of goods - retail	₱88,630,077,986	₱9,325,871,483	₱11,501,454,806	₱3,992,274,198	₱26,667,779,983	₱12,286,905,633	₱152,404,364,089
Sale of merchandise to franchisees	–	–	–	922,996,377	–	–	922,996,377
Franchise revenue	–	–	–	140,352,386	19,649,952	–	160,002,338
Royalty fee	–	–	–	4,253,611	58,944,810	–	63,198,421
	₱88,630,077,986	₱9,325,871,483	₱11,501,454,806	₱5,059,876,572	₱26,746,374,745	₱12,286,905,633	₱153,550,561,225
Timing of revenue recognition							
Goods transferred at point in time	₱88,630,077,986	₱9,325,871,483	₱11,501,454,806	₱4,915,270,575	₱26,667,779,983	₱12,286,905,633	₱153,327,360,466
Services transferred over time	–	–	–	144,605,997	78,594,762	–	223,200,759
	₱88,630,077,986	₱9,325,871,483	₱11,501,454,806	₱5,059,876,572	₱26,746,374,745	₱12,286,905,633	₱153,550,561,225

21. **Operating Expenses**

This account consists of:

	2023	2022	2021
Personnel costs and contracted services (Notes 22 and 23)	**₱11,321,076,820**	₱10,154,653,022	₱9,802,346,518
Rental and utilities (Notes 24 and 28)	**10,295,540,444**	9,585,433,406	6,863,041,043
Depreciation and amortization (Notes 12, 14 and 28)	**7,499,945,134**	7,179,629,553	7,087,772,782
Transportation and travel	**2,207,435,476**	2,138,028,174	1,713,359,868
Supplies	**1,169,226,534**	1,136,793,920	1,014,592,585
Advertising	**1,395,857,625**	1,197,347,138	679,976,957
Repairs and maintenance	**1,008,816,093**	1,059,598,027	890,438,363
Bank and credit charges	**986,095,978**	783,285,209	694,435,937
Commission expense	**95,845,747**	219,867,997	211,860,822
Royalty expense (Note 29)	**151,716,236**	81,488,630	121,319,030
Tolling fee	**29,978,296**	39,541,655	35,922,832
Others	**1,686,169,414**	1,167,440,420	921,456,834
	₱37,847,703,797	₱34,743,107,151	₱30,036,523,571

Others consist mainly of taxes and licenses, insurance and professional fees.

Depreciation and amortization pertains to:

	2023	2022	2021
Property and equipment (Note 12)	**₱3,398,638,894**	₱3,086,340,845	₱3,001,391,781
Trademarks, franchise and license fees (Note 14)	**758,343**	758,339	758,333
Amortization of ROU assets (Note 28)	**4,100,547,897**	4,092,530,369	4,085,622,668
	₱7,499,945,134	₱7,179,629,553	₱7,087,772,782

22. **Personnel Costs and Contracted Services**

This account consists of:

	2023	2022	2021
Salaries, allowances and benefits (Note 21)	**₱7,144,977,248**	₱6,184,460,843	₱5,956,205,160
Contracted services (Note 21)	**4,176,099,572**	3,970,192,179	3,846,141,358
	₱11,321,076,820	₱10,154,653,022	₱9,802,346,518

Details of salaries, allowances and benefits:

	2023	2022	2021
Salaries, wages and allowances	**₱6,828,168,694**	₱5,983,737,404	₱5,672,408,136
Retirement expense (Note 23)	**316,808,554**	200,723,439	283,797,024
	₱7,144,977,248	₱6,184,460,843	₱5,956,205,160

23. **Employee Benefits**

The Group has a funded, non-contributory, defined benefit pension plan covering all regular permanent employees. Benefits are dependent on years of service and the respective employee's final compensation. The benefits are paid in a lump-sum upon retirement or separation in accordance with the terms of the Robinsons Retail Multi-Employer Retirement Plan, South Star Drug Retirement Plan and Rustan Supercenters Retirement Plan (the Plan).

The Group computes the actuarial valuation every year by hiring the services of a professional third party qualified actuary. The most recent actuarial valuaton was carried out for the Group as of December 31, 2023.

The Group is a member of the Plan which is administered separately by the Trustee, RBC, Metrobank Corporation and Bank of the Philippine Islands, so named under the Trust Agreement. The Trustee is under the supervision of the Retirement Working Committee (the Committee) of the Plan. The Committee shall have all the powers necessary or useful in the discharge of its duties, including but not limited, to implement and administer the plan, propose changes and determine the rights of the members of the plan. However, changes or revisions in the Plan shall be approved by the Executive Retirement Committee.

The Committee may seek the advice of counsel and appoint an investment manager or managers to manage the Retirement Fund, an independent accountant to audit the Fund and an actuary to value the Plan.

The Plan was amended effective April 1, 2019. The effect of the change in retirement plan is reflected as past service cost and recognized in the 2019 retirement expense.

Under the existing regulatory framework, Republic Act (RA) No. 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The components of retirement expense under "Operating expenses" account in the consolidated statements of comprehensive income are as follows:

	2023	2022	2021
Current service cost	**₱192,679,999**	₱202,090,464	₱282,641,430
Net interest cost	**(2,726,359)**	6,435,223	16,227,113
Past service cost (income)	**126,854,914**	(7,802,248)	(15,071,519)
Retirement expense	**₱316,808,554**	₱200,723,439	₱283,797,024

Net retirement obligation (plan asset) as of December 31, 2023 and 2022 recognized in the consolidated statements of financial position follow:

	2023	2022
Present value of defined benefit obligation	**₱2,130,773,516**	₱1,474,339,187
Fair value of plan assets	**(1,688,809,515)**	(1,485,780,311)
Net retirement obligation (plan asset)	**₱441,964,001**	(₱11,441,124)

As of December 31, 2023, RHIB, RHMI, WHI, HEMI, RTSHPI, RVC, RAC and RDSI have net plan asset position totalling to ₱166.45 million while RSC, TGPPI, SSDI, RPI, S50, SEWI, have net retirement obligation totalling to ₱608.42 million. As of December 31, 2022, RHIB, HPTD, RHMI, WHI, HEMI, RTSHPI, RSC, RVC, RCSI, RAC and RDSI have net plan asset position totalling to ₱290.53 million while TGPPI, SSDI, RPI, S50, SEWI have net retirement obligation totalling to ₱279.09 million.

The movements in net retirement obligation recognized in the consolidated statements of financial position follow:

	2023	2022
Balance at beginning of year	**(₱11,441,124)**	₱248,927,212
Remeasurement loss (gain)	**336,299,975**	(241,543,942)
Retirement expense	**316,808,554**	200,723,439
Actual contribution	**(194,824,865)**	(207,994,424)
Benefits paid from direct payments	**(4,878,539)**	(11,553,409)
Balance at end of year	**₱441,964,001**	(₱11,441,124)

Remeasurement effects recognized in OCI:

	2023	2022
Remeasurement losses (gains) on:		
Retirement obligation	**₱275,009,379**	₱282,219,904
Retirement plan assets	**61,290,596**	(40,675,962)
	₱336,299,975	₱241,543,942

Changes in the present value of defined benefit obligation follow:

	2023	2022
Balance at beginning of year	**₱1,474,339,187**	₱1,538,372,982
Current service cost	**192,679,999**	202,090,464
Remeasurement loss(gain) arising from:		
Changes in financial assumptions	**274,711,808**	(225,050,070)
Changes in demographic assumptions	**37,796,173**	(83,559,573)
Experience adjustments	**(4,141,070)**	26,389,739
Interest cost	**105,094,298**	75,658,159
Past service cost (income)	**126,854,914**	(7,802,248)
Benefits paid	**(76,561,793)**	(51,760,266)
Balance at end of year	**₱2,130,773,516**	₱1,474,339,187

Movements in the fair value of plan assets follow:

	2023	2022
Balance at beginning of year	**₱1,485,780,311**	₱1,289,445,770
Actual contribution	**194,824,865**	207,994,424
Interest income included in net interest cost	**107,820,658**	69,222,936
Remeasurement loss	**(27,933,064)**	(40,675,962)
Benefits paid	**(71,683,255)**	(40,206,857)
Balance at end of year	**₱1,688,809,515**	₱1,485,780,311

The fair value of net plan assets of the Group by each class as at the end of the reporting period is as follows:

	2023	2022
Cash and cash equivalents		
Savings deposit	**₱195,800,819**	₱140,438,426
Investments in government securities		
Fixed rate treasury notes	**9,611,618**	9,409,324
Retail treasury bonds	**400,749**	–
Treasury bills	**512,597**	–
Investments in UITF	**1,481,300,143**	1,335,076,399
Other receivables	**1,231,839**	901,376
Accrued trust fee payable	**(51,531)**	(45,214)
Others	**3,281**	–
	₱1,688,809,515	₱1,485,780,311

The principal assumptions used in determining the above amounts for the Group's plan are shown below:

	2023	2022
Discount rates	**6.1% - 7.3%**	7.0% - 7.4%
Salary increase rates	**2.0% - 5.9%**	2.0% - 4.0%

The carrying amounts disclosed above reasonably approximate fair values at each reporting period. The actual return on plan assets amounted to ₱61.29 million, ₱28.55 million and ₱260.12 million in 2023, 2022 and 2021, respectively.

The Group expects to contribute ₱142.13 million to the defined benefit plan in 2024.

Remeasurement effects attributable to the equity holders of the Parent Company follow:

	2023	2022
Balances at the beginning of year	**₱474,020,307**	₱343,303,004
Remeasurement gains (losses) during the year	**(244,942,591)**	176,513,291
Balances at end of year	**₱229,077,716**	₱519,816,295

The sensitivity analyses that follow has been determined based on reasonably possible changes of the assumption occurring as of the end of the reporting period, assuming if all other assumptions were held constant.

		Increase (Decrease)	**Effect on Defined Benefit Obligation**
2023	**Salary increase**		
		+1.00%	**₱277,594,050**
		-1.00%	**(176,868,841)**
	Discount rates		
		+1.00%	**(165,563,886)**
		-1.00%	**268,054,836**

		Increase (Decrease)	Effect on Defined Benefit Obligation
2022	Salary increase		
		+1.00%	₱158,017,669
		-1.00%	(136,470,089)
	Discount rates		
		+1.00%	(127,078,022)
		-1.00%	149,031,719

Each year, an Asset-Liability Matching Study (ALM) is performed with the result being analyzed in terms of risk-and-return profiles. The principal technique of the Group's ALM is to ensure the expected return on assets to be sufficient to support the desired level of funding arising from the defined benefit plans.

Shown below is the maturity analysis of the undiscounted benefit payments:

	2023	2022
Less than 1 year	**₱208,645,960**	₱194,532,015
More than 1 year but less than 5 years	**586,015,997**	451,879,557
More than 5 years but less than 10 years	**1,293,269,771**	965,236,288
More than 10 years but less than 15 years	**2,219,863,386**	1,556,377,396
More than 15 years but less than 20 years	**3,083,168,280**	2,265,958,706
More than 20 years	**9,477,896,261**	7,054,648,150

24. Related Party Disclosures

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

Significant Related Party Transactions
The Group, in the regular conduct of business, has receivables from/payables to related parties arising from the normal course of operations.

The following are the Group's transactions with its related parties:

	Amount			**Due from (Due to)**	
	2023	2022	2021	**2023**	2022
Other affiliates under common control					
a. Trade and other receivables					
Sales	**₱39,063,333**	₱71,220,826	₱42,197,527	**₱–**	₱–
b. Trade and other payables					
Purchases - net	**(3,770,492,535)**	(7,625,655,574)	(3,409,328,464)	**(389,994,178)**	(2,598,303,943)
Rent and utilities	**(5,417,155,033)**	(5,158,480,639)	(4,036,187,235)	**(478,702,304)**	(944,864,210)

Below are the Group's transactions with its related parties:

a. As of December 31, 2023 and 2022, the Group does not have outstanding balances from its other affiliates arising primarily from sales of merchandise inventories and royalty income for grant of use and right to operate stores of the Group.

b. As of December 31, 2023 and 2022, the Group has outstanding payable to its other affiliates arising from purchases of merchandise inventories for resale to its customers which are normally paid within the year and expenses for rent and utilities relative to the Group's operations. Lease agreements normally have terms of 5 to 20 years with escalation clauses ranging from 5% to 10% every year. Purchases for 2022 includes land amounting to ₱3.53 billion of which ₱2.38 billion is still outstanding as of December 31, 2022 and fully paid in 2023.

c. The Group maintains savings and current accounts and money market placements with RBC. Cash and cash equivalents earn interest at the prevailing bank deposit rates.

d. Affiliates include related parties by the Group by virtue of common ownership and representations to management where significant influence is apparent.

There are no agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's retirement plans.

The details of compensation and benefits of key management personnel for 2023, 2022 and 2021 follow:

	2023	2022	2021
Short-term employment benefits	**₱220,880,000**	₱198,976,002	₱192,258,333
Post-employment benefits	**29,522,860**	42,108,436	53,888,531
	₱250,402,860	₱241,084,438	₱246,146,864

Terms and Conditions of Transactions with Related Parties
Outstanding balances at year-end are unsecured, interest-free and settlement occurs in cash. There have been no guarantees provided or received for any related party payables or receivables. The Group did not recognize provision for expected credit losses relating to amounts due from related parties for the years ended December 31, 2023, 2022 and 2021. This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

Approval Requirements and Limits on the Amount and Extent of Related Party Transactions
Material related party transactions (MRPT) refers to any related party transaction/s, either individually, or in aggregate over a twelve (12)-month period with the same related party, amounting to ten percent (10%) or higher of the Group's total consolidated assets based on its latest audited financial statements.

All individual MRPT's shall be approved by at least two-thirds (2/3) vote of the BOD, with at least a majority of the Independent Directors voting to approve the MRPT. In case that a majority of the Independent Directors' vote is not secured, the MRPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.

Aggregate RPT transactions within a 12-month period that meets or breaches the materiality threshold shall require the same BOD approval mentioned above.

25. Income Tax

a. Provision for income tax for the years ended December 31 follows:

	2023	2022	2021
Current	**₱1,620,387,824**	₱1,636,402,421	₱822,538,268
Deferred	**(96,847,231)**	(85,234,520)	(403,900,757)
	₱1,523,540,593	₱1,551,167,901	₱418,637,511

b. The components of the net deferred tax assets of the Group as of December 31, 2023 and 2022 pertain to the deferred tax effects of the following:

	2023	2022
Tax effects of:		
Items recognized in profit or loss:		
Lease liabilities	**₱6,011,148,119**	₱6,505,913,566
NOLCO	**89,006,020**	123,155,533
Unamortized past service cost	**59,514,899**	79,570,350
MCIT	**48,271,697**	29,066,368
Allowance for impairment losses	**65,902,468**	72,581,283
Others	**47,214,636**	4,200,528
Retirement obligation	**72,926,870**	35,987,623
Right-of-use assets	**(4,978,405,967)**	(5,538,731,367)
	1,415,578,742	1,311,743,884
Item recognized directly in other comprehensive income:		
Remeasurement loss (gain) on retirement obligation	**37,564,130**	(38,847,904)
	₱1,453,142,872	₱1,272,895,980

c. The components of the net deferred tax liabilities of the Group as of December 31, 2023 and 2022 represent deferred tax effects of the following:

	2023	2022
Tax effect of:		
Items recognized in profit or loss:		
Business combination (Note 19)	**₱1,979,723,401**	₱1,979,723,402
Asset revaluation	**23,762,630**	11,353,200
	2,003,486,031	1,991,076,602
Item recognized directly in other comprehensive income:		
Fair value adjustments on investment in an associate	**61,855,913**	61,855,913
	₱2,065,341,944	₱2,052,932,515

d. The Group has the following deductible temporary differences that are available for offset against future taxable income or tax payable for which deferred tax assets have not been recognized:

	2023	2022
Tax effects of:		
MCIT	**₱4,414,124**	₱12,963,159
NOLCO	**8,109,856**	19,603,665
Allowance for impairment losses	**–**	48,484,484

e. On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

RRHI, HPTD, HEMI, RTSHPI, RDSI, RDDC, RVC, SEWI, TMI and VKD has incurred NOLCO before taxable year 2020 and after 2021which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2023	₱1,056,980,501	₱–	₱–	₱1,056,980,501	2026
2022	52,758,155	–	(320,665)	52,437,490	2025
	₱1,109,738,656	₱–	(₱320,665)	₱1,109,417,991	

RRHI, RHIB, HPTD ,RCSI, RDSI, RDDC, RVC, TMI and VKD has incurred NOLCO in taxable years 2021 and 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2021	₱516,450,474	(₱333,900,917)	(₱4,309,975)	₱178,239,582	2026
2020	₱474,091,916	(392,448,563)	₱–	₱81,643,353	2025
	₱990,542,390	(₱726,349,480)	(₱4,309,975)	₱259,882,935	

f. Details of the Group's MCIT related to RRHI, RSC, RVC, RHIB, HPTD, RDSI, RDDC, RTSHPI, RHMI, HEMI, and SEWI follow:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2023	₱39,529,233	(₱4,935,776)	₱–	₱34,593,457	2026
2022	17,213,887	(8,084,846)	–	9,129,041	2025
2021	19,305,555	(10,342,232)	–	8,963,323	2024
2020	55,575,712	(45,356,109)	(10,219,603)	–	2023
Total	₱131,624,387	(₱68,718,963)	(₱10,219,603)	₱52,685,821	

g. The reconciliation of statutory income tax rate to the effective income tax rate follows:

	2023	2022	2021
Statutory income tax rate	**25.00%**	25.00%	25.00%
Add (deduct) tax effects of:			
Nondeductible interest expense	**3.10**	0.03	2.12
Nondeductible expense	**5.05**	–	–
Effect of OSD	**(0.31)**	(0.08)	–

(Forward)

	2023	2022	2021
Nontaxable income subject to final tax	–	(1.13)	(1.18)
Derecognized DTA for NOLCO	–	(0.52)	–
Dividend income	**(5.12)**	(0.54)	(0.37)
Change in unrecognized deferred tax assets	–	(0.13)	(0.81)
Expired MCIT and NOLCO	–	–	(0.45)
Franchise income	–	–	(0.37)
Interest income subject to final tax	**(1.04)**	(1.22)	(8.48)
Nontaxable income not subject to final tax	**(2.00)**	(1.99)	(1.60)
CREATE impact	–	–	(5.91)
Effective income tax rate	**24.68%**	19.42%	7.95%

On June 20, 2023, the Bureau of Internal Revenue issued Revenue Memorandum Circular (RMC) No. 69-2023 reverting the Minimum Corporate Income Tax (MCIT) rate to 2% of gross income effective July 1, 2023 pursuant to Republic Act (RA) No. 11534, otherwise known as the "Corporate Recovery and Tax Incentives for Enterprises (CREATE)" Act. MCIT rate was previously reduced from 2% to 1% effective July 1, 2020 to June 30, 2023 upon the effectivity of CREATE Act in 2021.

Consequently, the Company recognized MCIT using the effective rate of 1.5% in 2023 in accordance with RMC 69-2023.

26. Earnings Per Share

The following table presents information necessary to calculate EPS on net income attributable to equity holders of the Parent Company:

	2023	2022	2021
Net income attributable to equity holders of the Parent Company	**₱4,097,068,755**	₱5,847,403,159	₱4,527,833,319
Weighted average number of common shares	**1,471,676,180**	1,489,082,013	1,535,225,570
Basic and Diluted EPS	**₱2.78**	₱3.93	₱2.95

	2023	2022	2021
No. of shares at the beginning of year	**₱1,479,176,140**	₱1,512,010,200	₱1,563,460,430
Weighted average number of treasury shares	**(7,499,960)**	(22,928,187)	(28,234,860)
Weighted average number of common shares	**₱1,471,676,180**	₱1,489,082,013	₱1,535,225,570

The Parent Company has no potentially dilutive common shares in 2023, 2022 and 2021.

27. Risk Management and Financial Instruments

Governance Framework

The primary objective of the Group's risk and financial management framework is to protect the Group's shareholders from events that hinder the sustainable achievement of financial performance objectives, including failing to exploit opportunities. Key management recognizes the critical importance of having efficient and effective risk management systems in place.

The BOD approves the Group's risk management policies and meets regularly to approve any commercial, regulatory and organizational requirements of such policies. These policies define the Group's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets and specify reporting requirements.

Financial Risk

The main purpose of the Group's financial instruments is to fund its operations and capital expenditures. The main risks arising from the Group's financial instruments are market risk, liquidity risk and credit risk. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Market Risk

Market risk is the risk of loss to future earnings, to fair value of cash flows of a financial instrument as a result of changes in its price, in turn caused by changes in interest rates, foreign currency exchange rates equity prices and other market factors.

Interest Rate Risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk for changes in market interest relates primarily to the Group's long-term debt obligation with a floating interest rate. The Group has minimal interest rate risk because the interest-bearing loans are short-term in nature and bear fixed interest rates.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings):

	Increase (decrease) in basis points	Effect on profit before tax
Peso floating rate borrowing	+0.25%	(₱33,350,000)
	-0.25%	33,350,000

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's principal transactions are carried out in Philippine Peso (₱) but maintain a minimal balance of foreign currency. The Group's currency risk arises mainly from foreign currency-denominated cash and cash equivalents, interest receivable, and financial assets at FVOCI which are denominated in currency other than the Group's functional currency.

The following tables demonstrate the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Increase (decrease) in foreign currency rate		**Effect on income before income tax (₱)**	
	2023	2022	**2023**	2022
USD	**+1.36%**	+3.16%	**₱9,563,232**	₱137,835,755
	-1.36%	-3.16%	**(9,563,232)**	(137,835,755)

The Group used foreign exchange rate of ₱55.37:USD1 and ₱55.76:USD1 as of December 31, 2023, and 2022, respectively, in converting its dollar-denominated financial assets to peso.

The sensitivity analyses shown above are based on the assumption that the movements in US dollars will more likely be limited to the upward or downward fluctuation of 1.36% and 3.16% in 2023 and 2022, respectively. The forecasted movements in percentages used were sourced by management from an affiliated bank. These are forecasted movements in the next twelve months.

The foreign currency-denominated financial assets in original currencies and equivalents to the Group's presentation currency in 2023 and 2022 are as follows:

	2023		2022	
	USD	**PHP**	USD	PHP
Cash and cash equivalents	**$3,674,011**	**₱203,429,989**	$13,497,178	₱752,535,159
Receivables	**269,108**	**14,900,510**	1,217,382	67,875,133
FVOCI with recycling	**8,710,178**	**482,282,556**	63,522,513	3,541,697,712
Total	**$12,653,297**	**₱700,613,055**	$78,237,073	₱4,362,108,004

The effect on the Group's income before tax is computed on the carrying value of the Group's foreign currency denominated financial assets and liabilities as at December 31, 2023 and 2022. There is no impact on equity other than those already affecting income before income tax.

Equity Price Risk
The Group's equity price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, equity securities classified as financial assets at FVOCI in 2023 and 2022.

Quoted equity securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

Quoted equity security consists of marketable equity security that is listed and traded on the PSE. The fair market value of the listed shares is based on the quoted market price as of December 31, 2023 and 2022.

The analyses below are performed for reasonably possible movements in the PSE Index with all other variables held constant, showing the impact on equity:

	Change in variable	**Effect on equity - Other comprehensive income**
2023	**+9.91%**	**₱1,397,991,155**
	-9.91%	**(1,397,991,155)**
2022	+14.38%	₱10,905,463
	-14.38%	(10,905,463)

The sensitivity analyses shown above are based on the assumption that the movement in PSE composite index and other quoted equity securities will be most likely be limited to an upward or downward fluctuation of 9.91% and 14.38% in 2023 and 2022, respectively.

For quoted securities, the Group, used as basis of these assumptions, the annual percentage change in PSE composite index.

The impact of sensitivity of equity prices on the Group's equity already excludes the impact on transactions affecting the consolidated statements of comprehensive income.

Liquidity Risk
Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The Group seeks to manage its liquidity profile to be able to finance its capital expenditures and operations. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations. As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows.

The table below shows the maturity profile of the financial instruments of the Group as of December 31, 2023 and 2022 based on the remaining period at the reporting date to their contractual maturities and are also presented based on contractual undiscounted repayment obligations.

December 31, 2023

	On Demand	**One (1) year**	**More than One (1) year**	**Total**
Financial Assets				
Amortized cost				
Cash and cash equivalents	**₱10,775,659,803**	**₱2,396,841,678**	**₱–**	**₱13,172,501,481**
Trade receivables	**40,782,218**	**3,186,633,490**	–	**3,227,415,708**
Nontrade receivables	–	**741,841,847**	–	**741,841,847**
Due from franchisees	–	**19,861,529**	–	**19,861,529**
Other noncurrent assets:				
Security and other deposits	–	–	**2,464,913,510**	**2,464,913,510**
Construction bonds	–	–	**79,924,252**	**79,924,252**
FVOCI	–	–	**25,812,922,248**	**25,812,922,248**
FVTPL	–	–	**598,121,799**	**598,121,799**
	₱10,816,442,021	**₱6,345,178,544**	**₱28,955,881,809**	**₱46,117,502,374**
Financial Liabilities				
Other financial liabilities				
Trade and other payables*	**₱–**	**₱26,653,693,151**	**₱–**	**₱26,653,693,151**
Short-term loans payable	–	**8,129,000,000**	–	**8,129,000,000**
Long-term loan payable	–	–	**13,340,000,000**	**13,340,000,000**
Lease liabilities	–	**3,586,524,281**	**29,276,706,655**	**32,863,230,936**
Other current liabilities	–	**514,002,010**	–	**514,002,010**
	₱–	**₱38,883,219,442**	**₱42,616,706,655**	**₱81,499,926,097**

**Excluding statutory liabilities amounting to ₱244,892,879.*

December 31, 2022

	On Demand	One (1) year	More than One (1) year	Total
Financial Assets				
Amortized cost				
Cash and cash equivalents	₱7,877,094,240	₱9,889,893,106	₱–	₱17,766,987,346
Trade receivables	33,788,642	2,881,764,551	–	2,915,553,193
Nontrade receivables	–	586,457,967	–	586,457,967
Due from franchisees	–	59,329,996	–	59,329,996
Other noncurrent assets:				
Security and other deposits	–	–	2,337,728,937	2,337,728,937
Construction bonds	–	–	59,831,870	59,831,870
FVOCI	–	–	8,670,055,533	8,670,055,533
FVTPL	–	–	294,988,235	294,988,235
	₱7,910,882,882	₱13,417,445,621	₱11,362,604,575	₱32,690,933,077
Financial Liabilities				
Other financial liabilities				
Trade and other payables*	₱–	₱26,968,991,101	₱–	₱26,968,991,101
Short-term loans payable	–	8,409,000,000	–	8,409,000,000
Lease liabilities	–	3,500,576,587	31,842,720,148	35,343,296,735
Other current liabilities	–	542,609,390	–	542,609,390
	₱–	₱39,421,177,078	₱31,842,720,148	₱71,263,897,226

**Excluding statutory liabilities amounting ₱521,354,151.*

Credit Risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group's trade and other receivables are actively monitored by the Collection Services Department to avoid significant concentrations of credit risk.

The Group has adopted a no-business policy with customers lacking an appropriate credit history where credit records are available.

The Group manages the level of credit risk it accepts through a comprehensive credit risk policy setting out the assessment and determination of what constitutes credit risk for the Group. The Group's policies include the following: setting up of exposure limits by each counterparty or group of counterparties; right of offset where counterparties are both debtors and creditors; reporting of credit risk exposures; monitoring of compliance with credit risk policy; and review of credit risk policy for pertinence and the changing environment.

The Group's maximum exposure in financial assets (excluding cash on hand amounting to ₱1,001 million and ₱1,066 million in 2023 and 2022, respectively) is equal to their carrying amounts. This was determined based on the nature of the counterparty and the Group's experience.

Credit Quality
The Group maintains internal credit rating system. Neither past due nor impaired financial assets are graded as either "A" or "B" based on the following criteria:

- Grade A are accounts considered to be of high value. The counterparties have a very remote likelihood of default and have consistently exhibited good paying habits.
- Grade B are active accounts with minimal to regular instances of payment default, due to collection issues. These accounts are typically not impaired as the counterparties generally respond to the Group's collection efforts and update their payments accordingly.

Cash in banks and cash equivalents are short-term placements and working cash fund placed, invested or deposited in reputable foreign and local banks in the Philippines. These financial assets are classified as Grade A due to the counterparties' low probability of insolvency.

Receivables and due from franchisees are Grade A because they are from related parties, employees and accredited customers who are highly reputable, progressive and consistently pay their accounts.

Security and other deposits and construction bond are Grade A since these were paid to creditworthy third parties.

Financial assets at FVOCI is Grade A because these are securities placed in entities with good favorable credit standing.

The Group's financial assets considered as neither past due nor impaired amounting to ₱45.03 billion and ₱31.62 billion as of December 31, 2023 and 2022, respectively are all graded "A" based on the Group's assessment.

The tables below show the aging analysis of financial assets classified as amortized cost and FVOCI as of December 31, 2023 and 2022.

2023

	Neither Past Due Nor Impaired		Past Due or	
	Grade A	**Grade B**	**Impaired**	**Total**
Financial Assets				
Amortized cost				
Cash and cash equivalents (excluding cash on hand)	**₱12,171,474,617**	**₱–**	**₱–**	**₱12,171,474,617**
Trade receivables	**3,186,633,490**	–	**40,782,218**	**3,227,415,708**
Nontrade receivables	**741,841,847**	–	–	**741,841,847**
Due from franchisees	**19,861,529**	–	–	**19,861,529**
Other noncurrent assets:				
Security and other deposits	**2,415,443,907**	–	–	**2,415,443,907**
Construction bond	**79,924,252**	–	–	**79,924,252**
FVOCI	**2,212,805,412**	–	**739,335**	**2,213,544,747**
	₱20,827,985,054	**₱–**	**₱41,521,553**	**₱20,869,506,607**

2022

	Neither Past Due Nor Impaired		Past Due or	
	Grade A	Grade B	Impaired	Total
Financial Assets				
Amortized cost				
Cash and cash equivalents (excluding cash on hand)	₱16,700,667,375	₱–	₱–	₱16,700,667,375
Trade receivables	2,881,764,551	–	33,788,642	2,915,553,193
Nontrade receivables	586,457,967	–		586,457,967
Due from franchisees	59,329,996	–		59,329,996
Other noncurrent assets:				
Security and other deposits	2,337,728,937	–	–	2,337,728,937
Construction bond	59,831,870	–	–	59,831,870
FVOCI	7,524,048,032	–	3,550,055	7,527,598,087
	₱30,149,828,729	₱–	₱37,338,697	₱30,187,167,425

Impairment of Financial Assets. The Company has the following financial assets that are subject to the expected credit loss model under PFRS 9:

- Cash and cash equivalents;
- Trade and other receivables;
- Debt securities at FVOCI; and
- Other debt instruments carried at amortized cost

Other debt instruments carried at amortized cost include accrued interest receivables, refundable security and other deposits, advances to employees and officers and receivable from insurance. These are also subject to impairment requirements of PFRS 9, the identified impairment losses were immaterial.

Cash and Cash Equivalents and Debt Securities at FVOCI. Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The Group invests only on quoted debt securities with very low credit risk. The Group's debt instruments at FVOCI comprised solely of quoted bonds that are have a minimum BBB- credit rating by S&P Global Ratings and, therefore, are considered to be low credit risk investments. The Group recognized recoveries of (provision for) expected credit losses on its debt instruments at FVOCI amounting to ₱2.81 million and ₱6.33 million in 2023 and 2022, respectively (Note 11).

Trade and Other Receivables. The Group applies the PFRS 9 simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The ECL on trade and other receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables (Note 8).

A summary of Group exposure to credit risk under general and simplified approach as of December 31, 2023 and 2022 follows:

2023

	General Approach			Simplified
	Stage 1	Stage 2	Stage 3	Approach
Amortized cost				
Cash and cash equivalents	**₱12,171,474,617**	**₱–**	**₱–**	**₱–**
Trade receivables	**–**	**–**	**–**	**3,227,415,708**
Due from franchisees	**–**	**–**	**–**	**19,861,529**
Nontrade receivables	**741,841,847**	**–**	**–**	**–**
Security and other deposits	**2,495,368,159**	**–**	**–**	**–**
FVOCI	**2,213,544,747**	**–**	**–**	**–**
Total gross carrying amounts	**17,622,229,370**	**–**	**–**	**3,247,277,237**
Less allowance	**739,335**	**–**	**–**	**40,782,218**
	₱17,621,490,035	**₱–**	**₱–**	**₱3,206,495,019**

2022

	General Approach			Simplified
	Stage 1	Stage 2	Stage 3	Approach
Amortized cost				
Cash and cash equivalents	₱16,700,667,375	₱–	₱–	₱–
Trade receivables	–	–	–	2,915,553,193
Due from franchisees	–	–	–	59,329,996
Nontrade receivables	586,457,967	–	–	–
Security and other deposits	2,397,560,807	–	–	–
FVOCI	7,527,598,087	–	–	–
Total gross carrying amounts	27,212,284,236	–	–	2,974,883,189
Less allowance	3,550,055	–	–	33,788,642
	₱27,208734,181	₱–	₱–	₱2,941,094,547

In 2023 and 2022, there were no movements between stages 1, 2 and 3.

Fair Values of Financial Assets and Liabilities
The methods and assumptions used by the Group in estimating the fair value of financial asset and other financial liabilities are:

- Due to the short-term nature of the transaction, the fair value of cash and cash equivalents and trade and other receivables approximates the carrying values at year-end.
- Security and other deposits and construction bonds were discounted using the effective interest rates at reporting date.
- Debt and equity instrument financial assets amounting to ₱26.41 billion and ₱8.96 billion as at December 31, 2023 and 2022, respectively are carried at fair values. Investments in bonds and quoted equity securities are derived from quoted market prices in active markets.
- Due to the short-term nature of trade and other payables, short-term loans payable and other current liabilities, their carrying values approximate fair values.
- The fair values of the interest-bearing long term loans payable were estimated as the present value of all future cash flows discounted using the applicable rates for similar types of loans.

	2023		2022	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Assets				
Security deposits, other deposits and construction bond	**₱2,137,403,785**	**₱2,087,934,182**	₱2,397,560,807	₱2,031,017,741
Financial Liabilities				
Long-term loan payable	**₱13,240,161,663**	**₱13,554,072,758**	₱–	₱–

In 2023 and 2022, the Company's financial assets measured at fair value are categorized within the Level 1 fair value hierarchy.

28. Lease Commitments

Group as Lessee
The Group has lease contracts for various land and building wherein the offices, stores and warehouses are located and built. Lease terms are generally between one (1) year up to twenty-five (25) years. The monthly fees are based on fixed rate subject to 2%-5% escalation rate or percentage of sales, whichever is higher.

Set out below are the carrying amounts of right-of-use assets recognized and the movements for the years ended December 31, 2023 and 2022 as follows:

	2023	2022
Beginning balance	**₱22,154,925,469**	₱22,639,146,437
Additions	**2,407,703,851**	4,485,965,925
Derecognition	**(548,457,552)**	(877,656,524)
Amortization of ROU assets (Note 21)	**(4,100,547,897)**	(4,092,530,369)
	₱19,913,623,871	₱22,154,925,469

Set out below are the carrying amounts of lease liabilities and the movements for the years ended December 31, 2023 and 2022 as follows:

	2023	2022
Beginning balance (Note 30)	**₱26,023,654,262**	₱25,832,734,988
Accretion of interest expense	**1,675,403,757**	1,762,566,120
Additions (Note 30)	**2,340,134,011**	4,559,825,836
Derecognition	**(678,011,968)**	(1,030,911,849)
Lease payments	**(5,316,587,585)**	(5,100,560,833)
	24,044,592,477	26,023,654,262
Less current portion of lease liabilities	**3,586,524,281**	3,500,576,587
Noncurrent portion of lease liabilities	**₱20,458,068,196**	₱22,523,077,675

The following are the amounts recognized in profit or loss for the years ended December 31, 2023, 2022 and 2021 as follows:

	2023	2022	2021
Amortization of ROU assets (Note 21)	**₱4,100,547,897**	₱4,092,530,369	₱4,085,622,668
Interest expense on lease liabilities	**1,675,403,757**	1,762,566,120	1,801,627,179
Expenses relating to short-term leases and variable lease payments, net of negative variable lease (Note 21)	**3,131,541,692**	2,635,290,008	1,118,056,727
Gain on derecognition	**(129,554,416)**	(153,255,325)	(58,333,424)
	₱8,777,938,930	₱8,337,131,172	₱6,946,973,150

Shown below is the maturity analysis of the undiscounted lease payments as of December 31, 2023 and 2022:

	2023	2022
Within one (1) year	**₱4,844,001,479**	₱4,930,419,510
After one (1) year but not more than five (5) years	**16,236,149,824**	17,412,657,203
More than five (5) years	**11,783,079,633**	13,000,220,022
	₱32,863,230,936	₱35,343,296,735

The Company's additions to ROU assets and lease liabilities are considered non-cash activities. The Company recorded gain on derecognition of lease liability amounting to ₱129.55 million, ₱153.26 million, and ₱58.33 million in 2023, 2022 and 2021, respectively due to the pre-termination of leases on stores presented under "Other income (charges)" in the consolidated statements of comprehensive income.

Group as a Lessor
The Group has entered into operating leases on its building. Income from these leases amounting to ₱857.23 million, ₱581.14 million, and ₱414.86 million in 2023, 2022 and 2021, respectively, is included in the "Royalty, Rent and Other Revenue" account in the consolidated statements of comprehensive income. There are no contingent rental income and expense under these operating leases both as lessee and lessor.

29. **Agreements**

a) The Group has exclusive right to use the Ministop System in the Philippines which was granted to the Group by Ministop Co. Ltd., a corporation organized in Japan. In accordance with the franchise agreement, the Group agrees to pay, among others, royalties to Ministop based on a certain percentage of gross profit.

   Royalty expense amounted to nil, ₱7.25 million and ₱46.63 million in 2023, 2022 and 2021, respectively (Note 21).

   In February 2022, the Group through RSC, acquired the remaining 40.0% stake of Ministop Japan in RCSI, which resulted in RSC increasing its share in RCSI from 60.0% to 100%. RCSI has subsequently rebranded its convenience store business to Uncle John's following the exit of Ministop Japan.

b) The Group has franchise agreements which mainly include providing store facilities and equipment to franchisees. Other services rendered by Uncle John's consist of providing personnel and utilities. The lease/royalty fee is based on a certain percentage of the gross profit of the lessee/franchisee. The related royalty income amounted to ₱1.38 million, ₱172.87 million and ₱140.35 million in 2023, 2022 and 2021, respectively.

   As of December 31, 2023 and 2022, amounts due from franchisees amounted to ₱19.86 million and ₱59.33 million, respectively. No provision for impairment losses on due from franchisees was recognized in 2023, 2022 and 2021 (Note 8).

c) The Group obtained a license to use the Daiso Business Model in the Philippines that was granted to the Group by Daiso Industries Co., Ltd. (DICL) in Japan. In accordance with the license agreement, the Group agrees to pay, among others, royalties to DICL based on a certain percentage of monthly net sales.

   Royalty expenses amounted to ₱33.44 million, ₱17.62 million and ₱8.36 million in 2023, 2022 and 2021, respectively.

d.) The Group is a sub-licensee of Toys R Us in the Philippines. The royalty fee is based on fixed percentage of gross monthly sales of sub-licensee. Royalty expense amounted to ₱76.16 million, ₱69.09 million and ₱47.81 million in 2023, 2022 and 2021, respectively.

e.) On April 25, 2019, Emart Inc., granted the Group, an exclusive and non-transferrable right to carry on the "NO BRAND" business in the Philippines. The Group pays royalty fee amounting to ₱9.61 million and ₱7.95 million for 2023 and 2022, respectively, representing 0.5% of the net revenue arising from sale of "NO BRAND" products and EMART sourced products in the Philippines.

f.) The Group has other licenses and franchises to carry various global brands.

30. Changes in Liabilities Arising from Financing Activities

2023

	January 1, 2022	Net Cash Flows	Dividend Declaration	Noncash	Others	December 31, 2022
Lease liabilities	**₱26,023,654,262**	**(₱5,316,587,585)**	**₱–**	**₱1,675,403,757**	**₱1,662,122,043**	**₱24,044,592,477**
Short-term loans payable	**8,409,000,000**	**(280,000,000)**	**–**	**–**	**–**	**8,129,000,000**
Long-term loan payable	**–**	**13,223,825,000**	**–**	**16,336,663**	**–**	**13,240,161,663**
Interest payable	**–**	**(1,223,879,691)**	**–**	**(16,336,663)**	**1,447,558,112**	**207,341,758**
Dividends payable	**–**	**(3,528,688,302)**	**3,528,688,302**	**–**	**–**	**–**
Total liabilities from financing activities	**₱34,432,654,262**	**₱2,874,669,422**	**₱3,528,688,302**	**₱1,675,403,757**	**₱3,109,680,155**	**₱45,621,095,898**

2022

	January 1, 2021	Net Cash Flows	Dividend Declaration	Noncash	Others	December 31, 2022
Lease liabilities	₱25,832,734,988	(₱5,100,560,833)	₱–	₱1,762,566,120	₱3,528,913,987	₱26,023,654,262
Short-term loans payable	7,734,000,000	675,000,000	–	–	–	8,409,000,000
Interest payable	–	(225,569,729)	–	225,569,729	–	–
Dividends payable	–	(3,437,072,485)	3,437,072,485	–	–	–
Total liabilities from financing activities	₱33,566,734,988	(₱8,088,203,047)	₱3,437,072,485	₱1,988,135,849	₱3,528,913,987	₱34,432,654,262

In 2023 and 2022, noncash include accretion of interest expense on lease liabilities and loans payable amounting to ₱3.11 billion and ₱3.53 billion, respectively.

In 2023 and 2022, "Others" include new leases and derecognition of lease liabilities amounted to ₱1.66 billion and ₱3.53 billion, respectively.

31. Contingencies

The Group has various contingent liabilities from legal cases arising from the ordinary course of business which are either pending decision by courts or are currently being contested by the Group, the outcome of which are not presently determinable.

In the opinion of the management and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have material adverse effect in the Group's financial position and results of operations.

32. Approval of the Consolidated Financial Statements

The accompanying consolidated financial statements were approved and authorized for issue by the BOD on March 22, 2024.

SGV
Building a better working world

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Robinsons Retail Holdings, Inc.
110 E. Rodriguez, Jr. Avenue,
Bagumbayan, Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Robinsons Retail Holdings, Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 22, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

John T. Villa

John T. Villa
Partner
CPA Certificate No. 94065
Tax Identification No. 901-617-005
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-076-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10082033, January 6, 2024, Makati City

March 22, 2024

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INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Robinsons Retail Holdings, Inc.
110 E. Rodriguez, Jr. Avenue,
Bagumbayan, Quezon City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Robinsons Retail Holdings, Inc. and Subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 22, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

John T. Villa
Partner
CPA Certificate No. 94065
Tax Identification No. 901-617-005
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
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March 22, 2024

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES

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II. Map of the relationships of the companies within the group

III. Supplementary schedules required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable/Payable From/To Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
- Schedule F. Guarantees of Securities of Other Issuers
- Schedule G. Capital Stock

ROBINSONS RETAIL HOLDINGS, INC.
SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2023

Unappropriated Retained Earnings, January 1, 2023	₱11,405,276,648
Add: **Category A: Items that are directly credited to Unappropriated Retained Earnings**	
Reversal of Retained Earnings Appropriation/s	–
Effect of restatements or prior-period adjustments	–
Others	–
Less: **Category B: Items that are directly debited to Unappropriated Retained Earnings**	
Dividend declaration during the reporting period	(2,944,699,580)
Retained Earnings appropriated during the reporting period	–
Effects of restatements or prior-period adjustments	–
Others	–
Unappropriated Retained Earnings, January 1, 2023 as adjusted	8,460,577,068
Add/Less: Net income (loss) for the current year	1,081,651,331
Less: **Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)**	
Equity in net income of associate/joint venture, net of dividends declared	–
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	–
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
Unrealized fair value gain of Investment Property	–
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
Sub-total	–

(Forward)

ROBINSONS RETAIL HOLDINGS, INC.
SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2023

Add: **Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)**	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	–
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
Realized fair value gain of Investment Property	–
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
Sub-total	–
Add: **Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)**	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	–
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	–
Reversal of previously recorded fair value gain of Investment Property	–
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	–
Sub-total	–
Adjusted Net Income/Loss	1,081,651,331

(Forward)

ROBINSONS RETAIL HOLDINGS, INC.

SUPPLEMENTARY SCHEDULE OF RETAINED EARNINGS AVAILABLE FOR DIVIDENDS DECLARATION
FOR THE YEAR ENDED DECEMBER 31, 2023

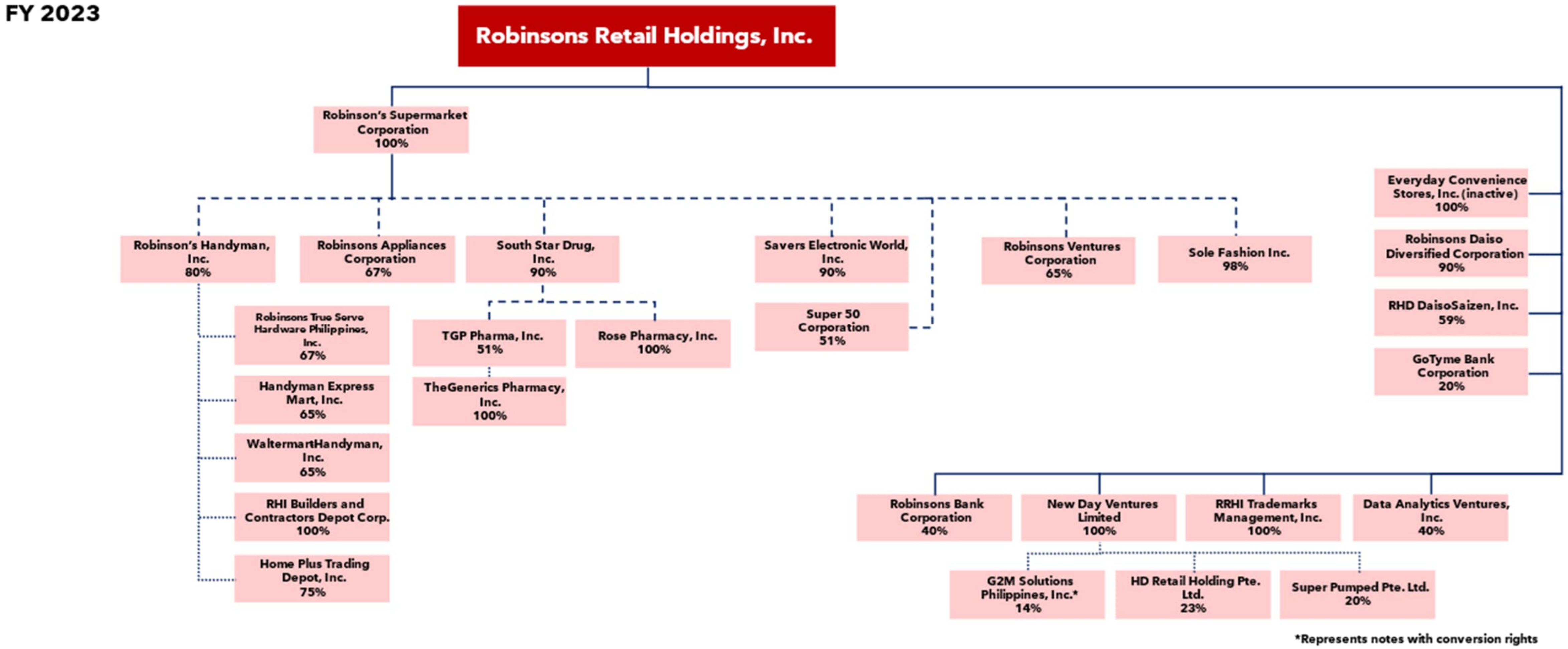
Add:	**Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)**	
	Depreciation on revaluation increment (after tax)	–
	Others	–
	Sub-total	–
Add/Less:	**Category E: Adjustments related to relief granted by the SEC and BSP**	
	Amortization of the effect of reporting relief	–
	Total amount of reporting relief granted during the year	–
	Others	–
	Sub-total	–
Less:	**Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution**	
	Treasury shares (except for reacquisition of redeemable shares)	6,410,402,227
	Deferred tax asset not considered in the reconciling items under the previous categories	106,540
	Net movement in deferred tax asset and deferred tax liabilities related to same transaction, i.e., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable.	–
	Adjustment due to deviation from PFRS/GAAP – gain (loss)	–
	Others	–
	Sub-total	6,410,508,767
Unappropriated Retained Earnings Available For Dividend Distribution, December 31, 2023		₱3,131,719,632

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

MAP OF THE RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP
DECEMBER 31, 2023

Group Structure

Below is a map showing the relationship between and among the Group and its ultimate parent company, subsidiaries, and associates as of December 31, 2023:



ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE A: FINANCIAL ASSETS

DECEMBER 31, 2023

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Value based on market quotation at end of reporting period	Income received and accrued
Debt and Equity Securities				
Various bonds	₱2,906,368,005	₱2,810,927,209	₱2,810,927,209	₱91,062,011
Investment in equity shares	20,676,041,036	23,600,116,838	23,600,116,838	1,263,746,088
	₱23,582,409,041	₱26,411,044,047	₱26,411,044,047	₱1,354,808,099

See Note 11 of the Consolidated Financial Statements.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE B: AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)

DECEMBER 31, 2023

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not current	Balance at end of period

NOT APPLICABLE

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE C: AMOUNTS RECEIVABLE/PAYABLE FROM/TO RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2023

Entity with Receivable Balance	Balance at Beginning of Period	Net Movement	Write-offs	Current	Noncurrent	Balance at end of period
Robinsons Retail Holdings, Inc.	₱21,578,000	₱–		₱21,578,000	P	₱21,578,000
Robinsons Convenience Stores, Inc.	48,952,716	(48,952,716)		–		–
Robinson's Supermarket Corporation	318,431,749	49,245,944		367,677,693		367,677,693
Robinsons Handyman, Inc.	266,587,830	(266,587,830)		–		–
RHD Daiso - Saizen, Inc.	500,556,835	–		500,556,835		500,556,835
	₱1,156,107,130	(₱266,294,602)		₱889,812,528		₱889,812,528

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE D: LONG TERM DEBT

DECEMBER 31, 2023

Title of issue and type of obligation	Amount authorized by indenture	Interest rates	Current portion	Noncurrent portion
RRHI -Unsecured PHP term loan	₱8,500,000,000	6.75%	₱–	₱8,500,000,000
RSC - Unsecured PHP term loan	4,840,000,000	6.75%	–	4,840,000,000
	₱13,340,000,000			₱13,340,000,000

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE E: INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2023

Name of related party	Balance at beginning of period	Balance at end of period
Robinsons Land Corporation	₱2,592,266,408	₱386,678,672
Universal Robina Corporation	944,864,210	478,702,304
JG Summit Holdings, Inc.	6,037,535	3,315,506
	₱3,543,168,153	₱868,696,482

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE F: GUARANTEES OF SECURITIES OF OTHER ISSUERS

DECEMBER 31, 2023

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount of owned by person for which statement is filed	Nature of guarantee

NOT APPLICABLE

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE G: CAPITAL STOCK

DECEMBER 31, 2023

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by		
				Related parties	Directors, officers and employees	Others
Common stock - ₱1 par value	2,000,000,000	1,457,597,400	–	491,299,997	215,835,374	750,462,024
	2,000,000,000	1,457,597,400	–	491,299,997	215,835,374	750,462,024

See Note 18 of the Consolidated Financial Statements

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF DECEMBER 31, 2023 AND 2022

Financial Soundness Indicator	**2023**	2022
i. Liquidity ratio:		
Current ratio	**1.23**	1.28
ii. Profitability ratio:		
Gross profit margin	**0.24**	0.24
Return on assets	**0.03**	0.05
Return on equity	**0.06**	0.08
iii. Stability ratio:		
Solvency ratio	**0.16**	0.21
Debt to equity ratio	**0.95**	0.85
Asset to equity ratio	**1.95**	1.85
Interest rate coverage ratio	**6.18**	4.38

**See attached reporting computation.*

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF DECEMBER 31, 2023 AND 2022

	2023	2022
Current assets (including noncurrent asset held for sale)	**₱56,789,712,826**	₱59,516,857,710
Current liabilities	**39,273,033,183**	40,097,370,290
Current ratio	**1.45**	1.48
Gross profit	**45,600,110,027**	42,282,187,270
Net sales	**192,125,861,609**	178,821,069,060
Gross profit margin	**0.24**	0.24
After tax net profit	**4,649,174,880**	6,436,047,828
Depreciation and amortization	**7,499,945,134**	7,179,629,553
	12,149,120,014	13,615,677,381
Total liabilities	**75,645,023,899**	64,952,470,976
Solvency ratio	**0.16**	0.21
Total liabilities	**75,645,023,899**	64,952,470,976
Total equity	**79,377,892,042**	76,573,667,012
Debt to equity ratio	**0.95**	0.85
Total assets	**155,022,915,941**	141,526,137,988
Total equity	**79,377,892,042**	76,573,667,012
Asset to equity ratio	**1.95**	1.85
Earnings before interest and taxes	**8,941,881,813**	8,698,423,166
Interest expense	**3,122,961,869**	1,988,135,849
Interest rate coverage ratio	**2.86**	4.38
Net income	**4,649,174,880**	6,436,047,828
Average total assets	**148,274,526,965**	137,880,210,293
Return on assets	**0.03**	0.05
Net income	**4,649,174,880**	6,436,047,828
Average total equity	**77,975,779,527**	76,543,192,326
Return on equity	**0.06**	0.08

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