

# KEPWEALTH PROPERTY PHILIPPINES, INC. SUSTAINABILITY REPORT

## Contextual Information

Company Details	
Name of Organization	KEPWEALTH PROPERTY PHILS. INC. (“KPPI”, “we” or the “Company”) is engaged in the business of investing in, purchasing, or otherwise acquiring and owning, holding, using, selling, assigning, transferring, leasing, mortgaging, exchanging, maintaining, administering, managing, and operating alone or jointly with others, or otherwise disposing of real property, such as but not limited to office, commercial, agricultural and residential properties, hotels, inns, resorts, apartments, or personal property of every kind and description.
Location of Headquarters	Unit IJ01-23 Burgundy Corporate Tower 825 Sen. Gil Puyat Ave., Makati City
Location of Operations	Metro Manila and Cebu, Philippines
Report Boundary: Legal entities (e.g. subsidiaries) included in this report*	KEPWEALTH PROPERTY PHILS. INC.
Business Model, including Primary Activities, Brands, Products, and Services	Leasing of real property and asset management (office condominium units and parking spaces)
Reporting Period	01 January 2020 to 31 December 2020
Highest Ranking Person responsible for this report	John F. Catindig <i>Chief Information Officer and Compliance Officer</i>

## Materiality Process

Multiple discussions were conducted with several key persons in the Company, such as the Board of Directors, Executives and Officers as well as the various Stakeholders, to help us ascertain what truly matters to us, to our business and to our stakeholders.

This process greatly contributed to the better understanding of our business perspective and enabled us to craft ways to improve both our financial and non-financial performance.

The following questions were formulated, and answers were made to guide us in this Materiality Process:

1. What does sustainability mean to us? – Sustainability means that our business should be sustainable not only from our perspective but also from the society’s point of view. We have identified, evaluated,

and studied the needs of the society to determine what our business can contribute to create a sustainable development of society.

2. What does sustainability mean to our Stakeholders? – Through understanding what sustainability means to our stakeholders by our engagement with them, it helped us validate and enhance our list of material topics. This process assisted us in selecting what topics are important not just to us but also to them.
3. What are the material topics? – By evaluating our business process as a whole, from the entire value chain of our business operations to the identified sustainability topic that are important to us and to our stakeholders, we have determined the economic, environmental, and social topics that we should monitor and improve on moving forward.
4. How to measure the performance and effectiveness of our approaches? – The Company is continuing to create baseline data as the basis for measuring its performance on each identified material topic. The Company followed the Global Reporting Initiative (GRI) Standards and Reporting Principles and the Securities and Exchange Commission (SEC) Sustainability Reporting Guidelines for Publicly Listed Companies for consolidation guidance and this ensured that the metrics used were right, and the data collected were accurate and comparable. For the year 2020, the Company began to perform an analysis of gaps in data in each performance area and has started to set up procedures to systematically collect more data to better measure sustainability performance. We have also begun designing management approaches that will help improve performance in these areas.

The Company will continually assess what is material for us, for our stakeholders, as well as to the society where we do business. We will regularly review our impact to the environment and society, how to improve the same and how we can better communicate these to our stakeholders.

<sup>1</sup> See [GRI 102-46](#) (2016) for more guidance.

## ECONOMIC

### Economic Performance

#### Direct Economic Value Generated and Distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	88.17 million	PhP
Direct economic value distributed:		
a. Operating costs	33.22 million	PhP
b. Employee wages and benefits	9.1 million	PhP
c. Payments to suppliers, other operating costs	10.8 million	Php
d. Dividends given to stockholders and interest payments to loan providers	Nil	PhP
e. Taxes given to government	15.20 million	PhP
f. Investments to community (e.g. donations, CSR)	Nil	PhP

<p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>In 2020, seventeen percent (17%) of the Company's revenue went to the Government in the form of taxes , another ten percent (10%) went to employees in the form of wages and benefits, and twelve percent (12%) of revenue went to suppliers who are all found in the locality where we do business or found in the Philippines.</p> <p>The office spaces that we either own or are under our management are being used by more than 150 businesses that creates, provides, and/or supports jobs for the community where we operate.</p>	<p>Employees, Stockholders, Investors, Clients, Jobseekers, Suppliers, and Government.</p>	<p>The Company maintains the highest standards of corporate governance, <i>i.e.</i> anti-corruption policy, in all our transactions, both in the Government and Private sectors, to safeguard and ensure that economic value flows to the right stakeholders.</p>
<p>What are the Risk/s Identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>

<p>Since our suppliers are all local, any unfair practice in their dealings with their own suppliers or employees could pose a risk that prevents us from creating equal opportunity and fair flow of value to the society where we do business.</p> <p>In addition, the unavailability of either suppliers of materials or manpower in the locality where we do business may compel us to engage suppliers from other parts of the country, thus minimizing the job opportunities that we provide in the society where we do business.</p>	<p>Employees, Stockholders, Investors, Clients, Jobseekers, Suppliers, and Government.</p>	<p>Fair Flow of value - Company policies and practices ensure that we pay the fair and reasonable price to all our stakeholders, including suppliers, to ensure fair distribution of economic value to the society. We regularly monitor our tax, wages and benefits, and supplier payments to ensure payment of the correct amounts. For 2020, 80% of revenue flows back to the economy (government, employees, etc.) while the 20% that is retained is reinvested to drive growth and to create more jobs for the society.</p> <p>Equitable distribution of job opportunities. In the society where we do our business, as a policy and practice, the Company ensures that it prioritizes the sourcing of goods and</p>
---	--	---

		<p>services locally provided minimum standards are met. When qualified suppliers do not exist in the locality, the Company is constrained to source the said goods and services in other cities in Metro Manila and other places. Efforts are made to source from MSMEs whenever possible.</p> <p>Equitable access to our products. The office spaces that we either own or manage enable businesses to grow by providing them with the right location coupled with affordable rental rates. This provides them and their clients space to do their business activities. As a company policy, we do not discriminate against local clients by favoring foreign clients or tenants. Office space is available whether the potential client is a local or foreign business. Through this practice, we ensure equal access to our products and services.</p> <p>Ensuring fair compensation to our employees. Our compensation packages are at par with the industry standards in the Philippines to ensure competitiveness in the market. Moreover, we ensure that our employees are paid at least a minimum wage to afford them social safety nets in cases of emergencies.</p>
<p>What are the Opportunity/ies Identified?</p>	<p>Which stakeholders are affected?</p>	<p>Management Approach</p>
<p>There are opportunities to improve performance, particularly on assessment of the economic performance as well as the policy and practice of our suppliers on anti-corruption and employees' compensation and benefits.</p>	<p>Employees, Stockholders, Investors, Clients, Jobseekers, Suppliers, and Government</p>	<p>The Company will continuously review its policy on accreditation of suppliers and is constantly re-evaluating policies on employee's compensation and benefits to ensure that employees are paid a living wage.</p>

Climate-related risks and opportunities<sup>2</sup>

<p><b>Governance</b>                  Disclose the organization’s governance around climate related risks and opportunities</p>	
<p>a. Describe the board’s oversight of climate-related risks and opportunities.</p>	<p>The Board is primarily responsible for the oversight of the Company’s Risk Management policies, including climate-related risks and opportunities, to ensure its functionality and effectiveness.</p>
<p>b. Describe management’s role in assessing and managing climate-related risks and opportunities</p>	<p>The Management is responsible for providing accurate and timely information to the Board. The Board, guided by Management, uses this information to assess climate-related risks and opportunities.</p>
<p><b>Strategy</b>                  Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material.</p>	
<p>a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term</p>	<p>The business of the Company may be affected by natural occurrences including typhoons, massive floodings, droughts, volcanic eruptions, and earthquakes as this may disrupt operations of its tenants and/or damage the Company’s properties.</p>
<p>b. Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy and financial planning</p>	<p>The properties of the Company may be damaged, and the business operations of its tenants may be disrupted resulting in delayed rental collection. Should an uninsured loss or a loss in excess of insured limits occur, the Company could lose all or a portion of the capital invested in a property.</p>
<p>c. Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios.</p>	<p>KPPI conducts thorough technical due diligence and environment scanning of the entire building where it either owns office spaces or which is under its management.</p> <p>Technical due diligence includes environmental studies not just for the specific building but also for the buildings in the adjacent areas as well.</p> <p>The Company is constantly improving its properties through various upgrades in equipment and facilities to make these more efficient and resilient to damage due to natural calamity.</p>

<b>Risk Management</b> Disclose how the organization identifies, assesses, and manages climate-related risks	
a. Describe the organization's processes for identifying and assessing climate-related risk.	The Company's processes for identifying and assessing climate-related risks are laid out in the Company's Risk Management Policy.
b. Describe the organization's processes for managing climate-related risks.	The Company's processes for managing climate-related risks are defined and discussed in its Risk Management Policy.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>The Company developed a formal enterprise risk management plan which contains: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies and measure.</p> <p>The main objective of this formal enterprise risk management plan is to reduce any potential impact of risks to the business. This serves as a means of enhancing shareholding value by effectively and efficiently balancing risks and rewards. Furthermore, the Company implements a Risk Policy that states how risks are identified and assessed to formulate strategies in mitigating or eliminating said risk.</p>
<b>Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	
a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>Natural catastrophes directly affect the Company's operations. These are measured through the following:</p> <ul style="list-style-type: none"> <li>● Number of days of property downtime and business disruption,</li> <li>● Costs of repair or replaced damage or destroyed assets, and</li> <li>● Costs for maintenance due to wear and tear on or damage to building/s.</li> </ul>
b. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>In order to mitigate or eliminate the exposure to risks, the Company sees the opportunity of improving its business operations through:</p> <ul style="list-style-type: none"> <li>● Conducting regular preventive check and maintenance of all assets,</li> <li>● Retrofitting of office spaces and other developments,</li> <li>● Tracking the frequency of discussions with Board and Management on climate-</li> </ul>

	<p>related risks,</p> <ul style="list-style-type: none"> <li>Tracking the frequency of communication and trainings with employees regarding protocols in situations related to natural catastrophes or severe weather conditions.</li> </ul>
--	--

<sup>2</sup> Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to non-financial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

<sup>3</sup> For this disclosure, impact refers to the impact of climate-related issues on the company.

**Procurement Practices**

**Proportion of spending on local suppliers**

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	100	%

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company affects the local economy by sourcing its supply requirement directly from the local suppliers.	Local suppliers, and Business partners.	<p>The Company has an established accreditation process and chooses its suppliers based on certain set of parameters. In the society where we do our business, as a policy and practice, the Company ensures that it prioritizes the sourcing of goods and services from local suppliers provided minimum standards are met. When qualified suppliers do not exist, the Company is constrained to source the said goods and services in other cities in Metro Manila and other places of the country. We also make an effort to source from MSMEs whenever possible.</p> <p>The Company is dedicated to supporting local suppliers to help develop the local economy.</p>

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Suppliers may lack the technical knowledge to meet the requirements and minimum standards of the Company.	The Company, its suppliers and business partners.	The Company ensures that all suppliers are given equal opportunity to do business. Moreover, all suppliers undergo thorough evaluation and assessment of their technical capabilities to ensure they meet the required minimum standards. Due diligence (background check, submission of corporate and financial documents, government permits and certifications, company and plant visits, and other relevant inquiries) is conducted on suppliers to know their financial condition, employee policies and practices as well as their overall company governance.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company aims to continue providing opportunities to more local suppliers in its areas of operation.	The Company, its suppliers and business partners.	The Company seeks to further enhance its supplier accreditation policy and improve the process to give opportunity to more local suppliers to be future business partners and to establish a long-term relationship with its current business partners.

### Anti-corruption

#### Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	100	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	65	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
<p>Anti-corruption-related policies are communicated to its employees during job orientations. The Company likewise conducts an annual corporate values sessions where these policies are reiterated. Furthermore, these policies are also posted in the Company's website for the information of all stakeholders.</p> <p>The members of the board of directors receive orientation on the Company's Code of Conduct which includes anti-graft corruption policy.</p> <p>The Company is committed to promoting transparency and fairness to all stakeholders.</p>	<p>Employees Directors, Management, Employees, Business partners.</p>	<p>The Board sets the policy and guidelines against corrupt practices by adopting anti-corruption policies, including Whistleblowing and Anti-Bribery Policy. These policies were crafted in compliance with the principles and best practices set out in the Company's Manual on Corporate Governance.</p>
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
<p>The Company's excellent reputation will be at stake if anti-corruption and other related policies are not well-implemented and communicated to the stakeholders.</p>	<p>The Company, its Board, Management and Employees as well the entire KPPI Community.</p>	<p>The Company includes a mandatory orientation and discussion of the Anti- Corruption Policies during on the job orientation and during the corporate meetings and annual values sessions.</p>
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

The Company is looking to participate or conduct anti-corruption trainings to enhance its anti-corruption policy and practice.	The KPPI Community, specifically its Officers and Employees.	The Company will conduct or participate in regular anti-corruption trainings.
--	--	---

#### Incidents of Corruption

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No significant impacts identified, as there are no incidents reported regarding corruption activities within the Company for 2020.		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company's excellent reputation will be at stake if anti-corruption and other related policies are not well-implemented and communicated to the stakeholders.	The Company, its Board, Management and Employees as well the entire KPPI Community.	The Company includes a mandatory orientation and discussion of the Anti-Corruption Policies of the Company to during on the job orientation, before commencement of new officers, and during the corporate meetings and annual values session.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company is looking to participate or conduct anti-corruption trainings to enhance its anti-corruption policy and practice.	The KPPI Community, specifically its Officers and Employees.	The Company will conduct or participate in regular anti-corruption trainings.

## ENVIRONMENT

### Resource Management

#### Energy consumption within the organization:

Disclosure	Quantity	Units
Energy consumption (renewable sources)	Not applicable	GJ

Energy consumption (gasoline)	Not applicable	GJ
Energy consumption (LPG)	Not applicable	GJ
Energy consumption (diesel)	Not applicable	GJ
Energy consumption (electricity)	967,502.92	kWh

#### Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	n/a	GJ
Energy reduction (LPG)	n/a	GJ
Energy reduction (diesel)	n/a	GJ
Energy reduction (electricity)*	899,677.8	kWh
Energy reduction (gasoline)	n/a	GJ

\*Reduction as compared to the consumption from 2018

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
For offices spaces that are either owned or under its management, as well as in its administrative offices, the Company manages the energy consumption in these areas by understanding the business of clients and properly monitoring and regulating energy consumption to avoid unnecessary wastage of energy resources.	KPPI, clients/tenants and our employees.	The Company monitors and manages energy consumption by understanding the business of clients and their energy requirements. The Company is able to effectively and efficiently use energy resources through this process.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach

<p>Power interruptions may occur as a result of natural catastrophes which will disrupt business operations.</p>	<p>KPPI, clients/tenants and our employees</p>	<p>The Company makes sure that its office spaces, as well as its administrative offices, are serviced by a reliable electricity distributor which is capable of restoring power in the fastest time possible during natural catastrophes.</p> <p>The Company maintains a back-up power source to minimize the effect of power interruptions.</p>
--	--	--

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
<p>The Company is exploring the viability of using the latest available technologies to efficiently use energy from renewable sources.</p>	<p>KPPI, clients/tenants and our employees</p>	<p>The Company started research in identifying ways to further improve the current energy situation of its office spaces, giving priority on the viability of using the latest technologies that will enable it to effectively and efficiently use renewable energy sources.</p>

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	n/a	Cubic meters
Water consumption	2,602.44	Cubic meters
Water recycled and reused	n/a	Cubic meters

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

The Company manages the water consumption in its office spaces by understanding the business of our clients and monitoring and regulating their water consumption to avoid unnecessary wastage of water resources.	KPPI, clients/tenants and our employees.	The Company monitors and manages water consumption in its offices by understanding the business of clients and their water requirements. The Company is able to effectively and efficiently use water resources through this process.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
The Company may experience water shortages especially during the summer season, which may bring discomfort to its clients/tenants.	KPPI, clients/tenants and our employees.	The Company makes sure that its office spaces as well as its administrative offices are serviced by a reliable water distributor which is capable of restoring water shortages in the fastest time possible during water interruption and shortages.

		Also, the Company installed elevated water tanks to store water in cases of short-term water shortages.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company is looking into the possibility of installing a water-recycling facility or equipment as alternative source for other water requirements, such as comfort room sanitation or landscape.	KPPI, clients/tenants and our employees.	The Company started research on the viability of installing water-recycle facilities or equipment to effectively and efficiently re-use water consumption and minimize water waste.

Materials used by the organization

Disclosure	Quantity	Units
Materials used by weight or volume		
• Renewable	n/a	kg/liters
• non-renewable	n/a	kg/liters
Percentage of recycled input materials used to manufacture the organization's primary products and services	n/a	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

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

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A	
Habitats protected or restored	N/A	Ha
IUCN <sup>4</sup> Red List species and national conservation list species with habitats in areas affected by operations	N/A	

The Company has no significant impacts to lands with high biodiversity value or near protected areas.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Environmental impact  
management Air Emissions

GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions	N/A	Tonnes CO2e
Energy indirect (Scope 2) GHG Emissions	N/A	Tonnes CO2e
Emissions of ozone-depleting substances (ODS)	N/A	Tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Air pollutants

Disclosure	Quantity	Units
NOx	N/A	kg
Sox	N/A	kg
Persistent organic pollutants (POPs)	N/A	kg
Volatile organic compounds (VOCs)	N/A	kg
Hazardous air pollutants (HAPs)	N/A	kg
Particulate matter (PM)	N/A	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated	N/A	kg
Reusable	N/A	kg
Recyclable	N/A	kg
Composted	N/A	kg
Incinerated	N/A	kg
Residuals/Landfilled	N/A	Kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	N/A	kg
Total weight of hazardous waste transported	N/A	kg

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

What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

### Effluents

Disclosure	Quantity	Units
Total volume of water discharges	N/A	Cubic meters
Percent of wastewater recycled	N/A	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
N/A		
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
N/A		
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
N/A		

### Environmental compliance

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

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

*\*Environmental laws and regulations that are implemented by the Department of Energy and Natural Resources (DENR) particularly those that govern air emissions, water and wastewater discharges, odor emissions, and management and disposal of solid and hazardous materials.*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company can freely conduct and advertise its business and upcoming projects. The Company is accorded a good reputation.	KPPI, its Clients /Tenants our Employees, Government, Suppliers and Business Partners	The Company has a dedicated team to track environmental law compliances from business development to post business development stage.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Non-compliance may affect the capacity of the Company to generate revenue and negatively affect its financial performance. Moreover, this may cause delay in the implementation of key pipeline projects knowing that there are pending compliances that need to be dealt with.	KPPI, its Clients /Tenants our Employees, Government, Suppliers and Business Partners	The Company aligns its operations, such as the leasing and asset management, with modern technologies as means to efficiently implement sanitation, environment, and safety laws and regulations with minimal cost.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
The Company considers the application for certifications and other environmental initiatives such as ISO 140001 to contribute to the betterment of the	KPPI, its Clients/Tenants our Employees, Government, Suppliers and Business Partners	KPPI continuously conducts research on how to further enhance its current practices to help preserve the environment.

environment.		
--------------	--	--

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	Quantity	Units
Total number of employees <sup>5</sup>		
a. Number of female employees	5	#
b. Number of male employees	5	#
Attrition rate <sup>6</sup>	63%	Rate
Ratio of lowest paid employee against minimum wage	1.29	Ratio

Employee benefits

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS	Y	100%	100%
PhilHealth	Y	100%	100%
Pag-ibig	Y	100%	100%
Parental leaves	Y	0	0
Vacation leaves	Y	100%	100%
Sick leaves	Y	0	0
Medical benefits (aside from PhilHealth))	Y	0	0
Housing assistance (aside from Pag- ibig)	Y	0	0
Retirement fund (aside from SSS)	Y	0	0
Further education support	Y	0	0
Company stock options	Y	0	0
Telecommuting	Y	100%	100%
Flexible-working Hours	Y	0	0
(Others)			

<p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p>	<p>Management Approach</p>
<p>The Company ensures employee diversity and provides compensation and benefit packages that are not only at par with the industry standards but also more than what is being asked by the labor standards/laws.</p>	<p>As a policy and practice, the Company prioritizes the hiring of talents locally provided the applicant meets the minimum standards. When a qualified applicant does not exist in the locality, the Company is constrained to hire other people from other cities in Metro Manila and other places of the country.</p> <p>The Company's recruitment policies include employee diversity because it believes that the broader pool of talent means greater chance of finding the optimum person for the job. The Company also recruits based on the skills that are needed to qualify for the duties and responsibilities set for the job and not because of personal attributes such as age or gender. KPPI values the hard work of its employees by rewarding them with proper compensation and benefits and trainings.</p>
<p>What are the Risk/s Identified?</p>	<p>Management Approach</p>
<p>The Company sees problems in the hiring of qualified personnel in the locality where we operate and also the retention of such qualified personnel due to competition from other employers. The Company may be forced to engage third-party consultants to assist in hiring of qualified personnel which will impose additional costs.</p>	<p>The Company offers competitive compensation and benefit packages and provides trainings for employee development. The Company also offers opportunities for professional growth to all employees, based on merit and performance, as part of its retention program.</p>
<p>What are the Opportunity/ies Identified?</p>	<p>Management Approach</p>
<p>The Company ensures business continuity and has a succession plan by implementing job promotions and rotations, and intends to provide training programs to its employees.</p>	<p>Job promotions enable employees to grow within the company. Job rotations enable employees to increase their flexibility and improve their skills by working in other departments. Continued education and mentorship through leadership trainings and management development programs are provided for the growth of the employee.</p>

<sup>5</sup> Employees are individuals who are in an employment relationship with the organization, according to national law or its

<sup>6</sup> Attrition rate = (no. of turnover)/(average of total no. of employees of previous year and total no. of employees of current year)

**Employee Training and Development**

Disclosure	Quantity	Units
Total training hours provided to employees		
a. Female employees	0	Hours
b. Male employees	0	Hours
Average training hours provided to employees		
a. Female employees	0	hours/employee
b. Male employees	0	hours/employee

What is the impact and where does it occur? What is the organization’s involvement in the impact?	Management Approach
The Company will provide its employees with relevant training to educate them on the latest trends and issues relating to the nature of their work, to upgrade skills, and to help and prepare them for a higher level of responsibility.	<p>The Company will schedule several trainings for its officers and employees on the latest trends and issues in the industry, nature of their work, and to obtain new skills aside from the enhancement of the existing ones. These will help and prepare them for a higher level of responsibility.</p> <p>As a matter of policy, and considering its size, the Company makes it a point to hire officers and staff that already have the skill and knowledge for the positions they are hired. This minimizes the requirement for training. Training will only be done if there are new systems/processes that the Company wants and intends to acquire and implement.</p> <p>The Company believes that continuous training will provide a constant pool of executive-quality personnel ready for promotion anytime.</p>
What are the Risk/s Identified?	Management Approach

<p>If the Company will fail to maintain a competitive workforce, this may also lead to the Company losing its competitiveness in the industry it operates.</p>	<p>The Company will schedule several training sessions for its officers and employees on the latest trends and issues in the industry, nature of their work, and to obtain new skills aside from the enhancement of the existing ones. These will help and prepare them for a higher level of responsibility.</p> <p>The Company conducts regular performance evaluation to monitor the employee's progress,</p>
--	--

	<p>to identify areas for improvement, and to assess any need for specific trainings for professional growth.</p>
<p>What are the Opportunity/ies Identified?</p>	<p>Management Approach</p>
<p>The Company will award its employees who have performed excellent work in their respective fields.</p>	<p>The Company provides merit increase, performance bonuses and promotion to deserving employees regardless of age or tenure.</p> <p>The Company is not afraid to invest in its employees by giving them more training to prepare them for higher responsibilities to ensure their success as they grow within the organization.</p>

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	At least once-a-year Company-wide discussion.	#

<p>What is the impact and where does it occur? What is the organization's involvement in the impact?</p>	<p>Management Approach</p>
--	----------------------------

The Company does not have an existing labor union, nevertheless, it encourages the participation of the employees using other platforms like surveys, regular staff meetings, and coordination meetings.	The Company has established policies, programs and procedures that encourage its employees to participate in the realization of the Company's goals and in its governance. The Company pursues and values its relationship with its employees; hence, it established a framework that allows its employees to communicate their concerns with the Management without fear of retaliation.
What are the Risk/s Identified?	Management Approach
No risks identified since the Company values and encourage employee participation even if the Company is without a Union.	
What are the Opportunity/ies Identified?	Management Approach

The Company was able to know various concerns of its employees through its different programs that encouraged and allowed employee participation. Furthermore, the Company will always work to address every work-related concern of its employees.	<p>The Company is continuing to expand its existing platforms to enhance employee's capacity to communicate concerns directly to Management without fear of any retaliation from anyone in the organization.</p> <p>Further to this, the Company is monitoring concerns to assess the Company's efficiency in addressing the concerns of its employees.</p>
---	---

### Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	50	%
% of male workers in the workforce	50	%
Number of employees from indigenous communities and/or vulnerable sector*	0	#

*\*Vulnerable sector includes, 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).*

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
---	---------------------

The Company does not discriminate as to age, gender, religion, marital status, cultural background, or place of origin. The Company gives equal opportunity to all jobseekers and this allows the Company to hire the best possible candidate for the job.	The Company does not discriminate in its hiring process. For as long as the candidate is in possession of the qualifications needed for the job, the Company will not hesitate to hire the said candidate.  As of the reporting year, the Company has employed more female employees than male employees.
What are the Risk/s Identified?	Management Approach
No risks identified.	
What are the Opportunity/ies Identified?	Management Approach
With the Company's plan for further expansion, it is expecting to provide more employment opportunities to the locality where we operate.	The Company accepts job applications through several platforms such as but not limited to online job posting sites, through our website, walk-ins and job-fairs. Through these avenues, we provide and expand the jobseeker's opportunity to be part of the Company.

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company values the safety of its Officers, Employees, Clients/Tenants and other stakeholders that transact business with us.	It is a policy and practice of the Company to regularly conduct safety-related drills such as but not limited to Covid 19 safety & prevention protocols, fire drills and earthquake drills. The Company encourages not only its employees to participate in the said drills, but also our clients/tenants as well as other stakeholders that transact business with us.
What are the Risk/s Identified?	Management Approach
Risks associated with Occupational Health and Safety are always present in any organization.	As mentioned above, the Company regularly conducts safety related drills. protocols and encourages participation of its employees, clients/tenants as well as other stakeholders so that everyone may be well-informed on what to do when emergencies will occur.
What are the Opportunity/ies Identified?	Management Approach

The Company is always looking for ways to improve the way it manages the risks for Occupational Health and Safety. Like every organization, the Company will continuously review and reassess its approaches toward managing the said risks.	The Company's processes for identifying and assessing these risks are laid out in the Company's Enterprise Risk Management plan, as provided for in the Company's Manual on Corporate Governance.
--	---

#### Labor Laws and Human Rights

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

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Topic	Y/N	If Yes, cite reference in the company policy
Forced labor	Y	The Company abides by the rules and requirements of the Labor Code of the Philippines and other applicable laws.
Child labor	Y	The Company abides by the rules and requirements of the Labor Code of the Philippines and other applicable laws.
Human Rights	Y	The Company abides by the rules and requirements of the Labor Code of the Philippines and other applicable laws.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
During the reporting year, there were no incidents in relation to human rights violation or discrimination in the Company, as KPPI continues to acknowledge and provide the utmost respect to labor laws and human rights in the workplace.	Respect for Human Rights is the foundation of the Company's culture as it wants to create a safe space for employees that does not discriminate based on personal background, age, gender, marital status, cultural background or place of origin.
What are the Risk/s Identified?	Management Approach

Non-compliance to labor laws and human rights may cause strikes, work stoppages, work slowdowns, grievances, complaints or claims of unfair practices or other deterioration in the Company's employee relations that will negatively reflect on the Company's employees' productivity and the Company's reputation.	It has been a policy and practice of the Company to strictly comply with the existing labor laws and regulations and any and all laws/statutes promulgated by our duly constituted authorities.
What are the Opportunity/ies Identified?	Management Approach
The Company continues to provide a mechanism through various platforms that will give our employees confidence to freely communicate their concerns without fear of retaliation including workplace discrimination and bullying.	The Company has an existing whistle blowing mechanism as laid out in the Company's Code of Business Conduct and Ethics. The policy encourages its employees to communicate their concerns about illegal, fraudulent or unethical behavior, including both perceived and actual irregularities, while protecting them from potential retaliation.

#### Supply Chain Management

Do you have a supplier accreditation policy? If yes, please attach the policy or link to the policy:

The Company is in the process of finalizing this Policy but has been instituting competitive bidding and conducting due diligence to ensure that all suppliers have the necessary permits, licenses, authorities from original equipment manufacturers/distributors, have been verified to have performed the same supply/service contract for other clients, and have no known adverse track record.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	N/A	
Forced labor	N/A	
Child labor	N/A	
Human rights	N/A	
Bribery and corruption	N/A	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
---	---------------------

<p>Through the Company's Accreditation process, the Company is able to assess environmental as well as social impacts of its suppliers.</p>	<p>The Company maintains an accreditation process of its suppliers to attain the needs and specifications of the Company. Particularly, the Company chooses its suppliers after it has undergone thorough evaluation and assessment of their technical capabilities. They are also assessed on their financial condition, employee policies and practices, and their overall company governance. This is done through background investigation, submission of complete and updated financial documents, government permits and certifications, company and plant visits, and other relevant inquiries.</p> <p>In addition, the Company investigates the production capacity, compliance with standards and regulations, their legitimacy of their operations as these criteria reflect the ability to meet quality standards, offer fair and reasonable prices, ensure timely delivery, and maintain good service and support.</p>
<p>What are the Risk/s Identified?</p>	<p>Management Approach</p>
<p>Unavailability of materials and labor in the locality where we operate poses a risk that might</p>	<p>The Company has an established accreditation process and chooses its suppliers based on</p>

<p>constrain the Company to purchase materials and hire employees elsewhere. This will not only affect our impact in the community where we operate, this may also entail additional costs on our part.</p>	<p>certain set of parameters. The Company prioritizes the sourcing of goods and services locally provided minimum standards are met. When qualified suppliers do not exist, the Company is constrained to source the said goods and services in other cities in Metro Manila and other places of the country. The Company also makes an effort to source from MSMEs whenever possible.</p> <p>The Company is dedicated to supporting local suppliers to help develop the local economy.</p>
<p>What are the Opportunity/ies Identified?</p>	<p>Management Approach</p>
<p>The Company aspires to build long-term partnerships with its suppliers to ensure continued supply of its needs.</p>	<p>The Company chooses its suppliers based on their ability to provide the requirements of the Company that meets our standards, offer fair and reasonable prices, ensure timely delivery, and maintain good service and support.</p> <p>As to our labor, as a policy we provide equal opportunities for growth to all of our employees.</p>

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

N/A	N/A	N/A	N/A	N/A	N/A
-----	-----	-----	-----	-----	-----

*\*Vulnerable sector includes children and youth, 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)*

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: \_\_\_\_\_

Certificates	Quantity	Units
FPIC process is still undergoing	N/A	#
CP secured	N/A	#

What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

### Customer Management

#### Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	N/A	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
N/A	
What are the Risk/s Identified?	Management Approach
N/A	
What are the Opportunity/ies Identified?	Management Approach
N/A	

#### Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service health and safety*	0	#
No. of complaints addressed	0	#

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
No impacts identified as there are no substantiated complaints regarding health and safety for 2020.	
What are the Risk/s Identified?	Management Approach
No risks identified.	
What are the Opportunity/ies Identified?	Management Approach
No opportunities identified.	

### Marketing and labelling

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

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company engages agents to market its properties. The Company uses third party agents to market and sell its various property offerings to potential customers. Further, the Company has, in its complement, competent and skilled in-house marketing agents who market and sell its various property offerings to potential customers	The Company conducts monthly meetings with the sales and marketing teams to revisit and to improve if necessary its existing marketing efforts.  In addition, marketing materials are approved by management before publication and release. Local marketing teams then produce the materials through the accredited suppliers.
What are the Risk/s Identified?	Management Approach
No Risk identified.	
What are the Opportunity/ies Identified?	Management Approach
No Opportunities identified.	

### Customer privacy

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

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company's customers and other stakeholders can trust that their data is secure and protected from unnecessary disclosure due to the Company's commitment to data privacy.	The Company has established proper control and measures to protect customer data in accordance with the Data Privacy Act.
What are the Risk/s Identified?	Management Approach
Because of the nature of the Company's business which involves processing of personal information from our customers, potential risks to data privacy may arise.	The Company has crafted a data privacy policy in accordance with the Data Privacy Act and ensures that its employees are aware of the requirements of the law, what information is protected, when personal information can be disclosed and the requirements for such disclosure.
What are the Opportunity/ies Identified?	Management Approach
Continuous review and assessment of the Company's data privacy policy.	The Company will participate in additional training on Data Privacy requirements and explore new technologies to ensure data privacy and security.

Data Security

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The Company's customers and other stakeholders can trust that their data are secured and protected from unnecessary disclosure due to the Company's commitment to data privacy.	The Company has implemented appropriate security measures, both physical and technical, within the organization and other procedures intended for the protection of personal information or data against any accidental or unlawful destruction, alteration and disclosure.
What are the Risk/s Identified?	Management Approach

Potential risks to data security include data breaches, leaks, thefts, and losses of data.	As mentioned above, the Company has implemented appropriate security measures intended for the protection of personal information or data against any accidental or
--	---

	unlawful destruction, alteration and disclosure.
--	--

What are the Opportunity/ies Identified?	Management Approach
--	---------------------

Continuous review and assessment of the Company's data privacy policy.	The Company will attend and conduct additional training on Data Privacy and explore new technologies to ensure data privacy and security.
--	---

**UNSUSTAINABLE DEVELOPMENT GOALS**

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and Services	Societal Value / Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Office Space	<p>We provide a suitable location where businesses can operate, grow and contribute to job creation and increased economic activity in the areas where we locate.</p> <p>To date we have <u>68,945</u> square meters of gross floor area</p>	<p>Apart from our discussion above in relation to our environmental, social, and economic impacts we believe that there are no further material negative impacts of this product to SDGs.</p>	<p>No other material approach we could identify other than what was discussed.</p>

*\* None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.*