

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17  
OF THE SECURITIES REGULATION CODE AND SECTION 141  
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended **31 December 2022**
2. SEC Identification Number **A199701848**      3. BIR Tax Identification No. **200-302-092-000**
4. Exact name of issuer as specified in its charter **AGRINURTURE, INC.**
5. **Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **No. 54 National Road, Dampol II-A, Pulilan, Bulacan, Philippines 3005**  
Address of principal office      Postal Code
8. **044-8156340**  
Issuer's telephone number, including area code
9. **N/A**  
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
<b>Common Shares</b>	<b>1,024,446,888* / Php – 1,656,004,426</b>
	<b>As of 31 December 2022</b>
Title of Each Class	Number of Shares of Common Listed Stock
<b>Common Shares</b>	<b>720,000,066</b>
Title of Each Class	Number of Shares of Unlisted Common Stock
<b>Common Shares</b>	<b>304,446,822</b>

11. Are any or all of these securities listed on a Stock Exchange?

Yes ☒      No ☐

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes ☒      No ☐

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes ☒      No ☐

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form.

**Php 2,343,568,045 (number of shares owned by public, 442,182,650 multiplied by PSE trading price, Php 5.30 as of 31 March 2023)**

**APPLICABLE ONLY TO ISSUERS INVOLVED IN  
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS  
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐      No ☐      **Not applicable**

**DOCUMENTS INCORPORATED BY REFERENCE**

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

- |  |                       |
|--|-----------------------|
| (a) Any annual report to security holders;                   | <b>Not applicable</b> |
| (b) Any information statement filed pursuant to SRC Rule 20; | <b>Not applicable</b> |
| (c) Any prospectus filed pursuant to SRC Rule 8.1.           | <b>Not applicable</b> |

**PART I - BUSINESS AND GENERAL INFORMATION**

**Item 1. Business**

Incorporated on 04 February 1997, AgriNurture, Inc. (the “Company” or “ANI”) started its business operations in the same year as an importer, trader and fabricator of post-harvest agricultural machineries intended to improve the productivity as well as increase the income of Filipino farmers. Formerly known as Mabuhay 2000 Enterprises, Inc., ANI was the first to bring into the Philippine market the Mega-Sun brand of grain dryers and thereafter established itself as one of the more reliable local supplier and manufacturer of conveyor systems and other rice mill equipment.

ANI eventually diversified into other various agro-commercial businesses, specifically focusing on the export trading of fresh Philippine Carabao Mangoes as its main revenue stream. Since then, ANI has become one of the Philippines’ top fresh mango exporters to the world market. At present, ANI also supplies other home-grown fruits such as banana and pineapple to customers in Hong Kong, Mainland China, the Middle East and to the different European regions.

ANI ventured into the importation and trading of rice in the first quarter of 2015 and has since then participated in the rice importation program for private sector on the National Food Authority.

Currently, the Company conducts its business through operating divisions and wholly-owned or majority-owned subsidiaries that are organized into two (2) groups, namely: (i) Philippine Operations and (ii) Foreign Operations.

The Philippine Operations Group is organized into three business units: (1) Export, (2) Local Distribution, and (3) Retail & Franchising. Meanwhile, Foreign Operations is principally fruits and vegetables trading in Hong Kong and China.

1. Philippine Operations
  - a) Export
  - b) Local Distribution
  - c) Retail & Franchising
2. Foreign Operations
  - a) Hong Kong
  - b) China

### ***Philippine Operations***

#### **Export**

The Company's Export Group is in charge of marketing abroad as well as sourcing the best quality produce possible to satisfy its growing number of clients. This group is the top dollar earner of ANI by exporting all kinds of fruits, vegetables and other Agri products but its main export products are fresh banana, fresh mango and coconut water.

- i. Banana – the main variety for banana export is Cavendish and its main production area is in Mindanao. The Export Group sources its supply from independent growers and from established corporate plantations to consolidate as much supply as it can to satisfy its clients in China, Korea, Middle East and Russia.
- ii. Mango – Carabao mango (*Mangifera indica* L.) is the variety exported by ANI. The Export Group sources its mangoes from all over the Philippines via a network of growers and suppliers who have been in the mango business for decades. The Export Group also taps the various mango contract growers of ANI. These mango growers follow the strict mango production system prescribed by the Government to comply with good agricultural practices as well as the pesticide spraying protocol. By adhering to these strict standards, ANI's mango exports can be accepted by any stringent market abroad. The Export Group manages all the processes involved in exporting mango with hot water treatment (HWT) and vapor heat treatment (VHT) capability.
- iii. Coconut water - Coconut water is one of the most exciting ANI products in the market today for both local and export. This product is exported by the ANI Export Group to USA, Canada, Hong Kong, Australia, New Zealand and the Middle East. The facility used for processing and packing the coconut water for export is under ANI's wholly-owned subsidiary, M2000 IMEX Co., Inc.

#### **Local Distribution Group**

The Local Distribution Group is composed of several companies. ANI Parent, First Class Agriculture Corporation (FCA), Fresh and Green Harvest Agricultural Company, Inc. (FG), Lucky Fruit and Vegetable Products, Inc. (LF), Best Choice Harvest Agricultural Corporation (BCHAC) and Farmville Farming Co. Inc. are the main distribution arms of ANI's agricultural products under the "FCA" (Fresh Choice Always) brand.

ANI and its subsidiaries are one of the largest wholesalers of fresh vegetables to leading supermarkets, currently concentrated in Metro Manila with few branches in Luzon. In addition, they supply fresh vegetables to in-house brands of various supermarkets.

In the local front, fruits and vegetables are sourced on a nationwide scale from the following suppliers: ANI subsidiaries, farmers with supply contracts, and buying stations.

Meanwhile, the Distribution Group with the intention to boost revenues started exploring new and innovative distribution methods such as direct selling approach to address consumers and institutional buyers' need for fresh produce. ANI has likewise explored venturing into technology-based applications to directly supply consumers.

Finally, the Distribution Group will undertake aggressive expansion of its product portfolio. It has commenced the research and development of new products such as processed foods, grains, and condiments. To complement said expansion, the Distribution Group will use modern technology to increase the shelf life of their products.

The Company has the following direct and indirect subsidiaries under its Local Distribution Group:

- a. M2000 IMEX Company, Inc.
- b. First Class Agriculture Corporation
- c. Fresh and Green Harvest Agricultural Corporation
- d. Lucky Fruit and Vegetable Products, Inc.
- e. Best Choice Harvest Agricultural Corporation
- f. Fresh & Green Palawan Agriventures, Inc.
- g. Fruitilicious Company, Inc.
- h. Farmville Farming Co., Inc.

a. M2000 IMEX Company, Inc. (IMEX)

IMEX is a wholly-owned subsidiary of the Company and is engaged in the manufacturing and processing of its own brand of canned fruit products such as coconut juice. IMEX likewise provides toll-packing services to several companies and is operating a blast freezing unit to serve the overseas demand for frozen fruits, root crops and leafy vegetables. IMEX's products are principally produced for export, with its largest markets being North America (93%), Asia (3%), and Domestic (4%).

In November 2012, IMEX entered into a Shareholders' Agreement and Subscription Agreement with Tolman Manufacturing, Inc. (TMI) for the management and operation of a Tetra Pak Line for, among others, coconut water and other packaged goods located in the export processing zone in Carmelray, Laguna.

b. First Class Agriculture Corporation (FCAC)

FCAC, a wholly-owned subsidiary of the Company, is engaged in the distribution of fruits and vegetables to supermarket chains, where it markets its products under the "FCA" (First Choice Always) brand. It supplies more than 100 varieties of vegetables and local fruits daily to various supermarket chains in Luzon.

In 2016, FCA ventured into rice importation and was able to participate in the Minimum Access Volume rice importation program of the National Food Authority. It also operates an integrated rice mill facility in Pampanga.

c. Fresh and Green Harvest Agricultural Corporation

Fresh and Green Harvest Agricultural Corp. (F&G) is a wholly-owned subsidiary of FCAC. F&G was likewise incorporated to distribute fruits and vegetables, but is currently dormant to pave the way to FCAC in ensuring a solid market base before it resume its operations.

d. Lucky Fruit and Vegetable Products, Inc.

Lucky Fruit and Vegetable Products Inc. ("LF") is a wholly-owned subsidiary of FCA. LF was engaged in the wholesale trading and distribution of commercial crops to food service and institutional accounts such as hotels, restaurants, and public markets throughout Luzon. It is currently dormant, but is currently being prepared to reboot operations to include the Mindanao market in its scope with Cagayan de Oro and Davao as its hubs.

e. Best Choice Harvest Agricultural Corporation

The ANI Group's farming activities are mainly handled by Best Choice Harvest Agricultural Corporation (BCH), a wholly owned subsidiary of the Company. Current activities are being undertaken by BCH with the objective of eventually making corporate farms the primary source of supply ANI Group's products.

BCH previously entered into a Joint Venture Agreement in 2013 for the development and operation of a banana plantation in Davao, but eventually sold its 51% equity share in the following year.

To date, BCH is exploring long term lease or acquisition of farms and plantations to finally achieve its goal of being self-sufficient in terms of supply thru corporate farming.

f. Fresh and Green Palawan Agriventures, Inc. (FG Palawan)

FG Palawan was incorporated on September 9, 2008. 51% of the outstanding capital stock of FG Palawan is owned by BCH. It is primarily engaged in corporate farming in the province of Palawan.

FG Palawan is currently dormant, with the intention to resume its operations once the expansion programs have been finalized.

g. Fruitilicious Company, Inc. (Fruitilicious)

Fruitilicious is located in Cagayan de Oro at the center of the fruit bountiful provinces of Bukidnon, Davao, Lanao Del Norte and Agusan del Sur in Mindanao. Fruitilicious also serves as the group's sourcing hub for its Mindanao operations. It operates a cold storage facility, blast freezing and food processing facility to produce frozen and dried fruit products and by-products for local and international clients. Fruitilicious is HACCP and Halal certified.

h. Farmville Farming Co, Inc. (Farmville)

Farmville was incorporated on June 2, 2010. It is primarily engaged in sourcing of fruits and vegetables and trading to in-house brands of various local markets.

Currently, ANI owns 51% of the outstanding capital stock of Farmville.

Retail & Franchising Group

On 8 August, 2011, the SEC approved the amendment of the Articles of Incorporation of the Company to, among others, include the business of retail in the primary purpose. In line with this, ANI established its Retail & Franchising Group in August of 2011.

The direct and indirect subsidiaries of the Company under the Retail Group are as follows:

- a. The Big Chill, Inc.
- b. Heppy Corporation
- c. Goods and Nutrition for All Inc. (GANA)
- a. The Big Chill, Inc.

80% of the outstanding capital stock of The Big Chill, Inc., (TBC) is owned by ANI. TBC is engaged in the business of selling on retail, beverages and other food products. TBC completes the innovative "farm-to-plate" business model of the Company that allows and enhances the synergy of all the Company's fruit and vegetable businesses.

In addition to Big Chill's company owned stores, it has opened its operations for franchising. With the intent to further expand the retail franchise opportunities, TBC likewise engages in the direct sales of License Agreements as well as the sale of profitable existing locations to qualified buyers.

Currently, over 43 outlets are being operated, both companies owned and franchised carrying the following brands:

- Big Chill
- Fresh Bar
- Super Fresh
- Tully's Coffee

b. Heppy Corp. (Heppy)

Heppy was incorporated on November 24, 2008. It is primarily engaged in buying, selling, distributing and marketing fruit drinks. Heppy became a wholly owned subsidiary of TBC on September 1, 2011.

c. Goods and Nutrition for All Inc. (GANA)

Goods and Nutrition for All, Inc. was incorporated on January 6, 2012. Its primary purpose is to engage in, operate, conduct and maintain the business of manufacturing, importing, bartering, distributing, selling on wholesale or retail, and otherwise dealing in all kinds of goods, commodities, merchandise and wares.

**Foreign Operations**

As for international distribution, ANI has operations in Hong Kong and China.

The Company has the following direct and indirect subsidiaries under its Foreign Operations:

- a. Agrinurture HK Holdings, Ltd. (ANI HK)
- b. AgriNurture International Ltd (ANI IL)
- c. Joyful Fairy (Fruits) Ltd. (JFF)
- d. Zhongshan Fucang Trading Co., Ltd. (Fucang)
- e. Xuzhou Shengmei Real Estate Co., Ltd.
- f. Guangzhou Lexian Fruit Industry Co., Ltd.

ANI's Hong Kong operations are carried out through the following entities:

- a. Agrinurture HK Holdings, Ltd. (ANI HK) is a holding and a Parent Company of ANI IL and JFF incorporated in Cayman Islands.
- b. AgriNurture International Ltd (HK) is wholly-owned by AgriNurture. HK Holdings Ltd primarily engaged in the retail sales of fruit juices.
- c. Joyful Fairy (Fruits) Ltd. (JFF) is a company organized and existing under the laws of the British Virgin Islands. Joyful is 51% owned by AgriNurture HK Holdings Ltd., a Cayman Islands holding company, and the latter is a 100% subsidiary of the Company.

ANI's China operations are carried out through the following entities:

- d. Zhongshan Fucang Trading Co., Ltd. (Fucang) was established on May 31, 2013 in Zhongshan City, China. The company's registered activities are, among others, sale of cultural supplies, sports goods, clothing, textiles, handicrafts (except gold), lights, daily-use department stores, hardware, mechanical and electrical equipment, building materials, sanitary ware, agricultural and sideline products; Import and export of goods and technologies; Industrial investments; Enterprise investment management; Enterprise asset management; Market marketing plan; Corporate image planning; Business consulting; Business management consulting. The company is 51% owned by ANI.
- e. Xuzhou Shengmei Real Estate Co., Ltd. was established on August 31, 2012 in Xuzhou City, China. The company's registered activities are real estate development and management. The company is 90% owned by Zhongshan Fucang Trading Co., Ltd.
- f. Guangzhou Lexian Fruit Industry Co., Ltd. (Lexian), a company organized and existing under the laws of China. The Company is 70% owned by Fucang engaged in wholesale industry.

All the entities described above are hereinafter referred to collectively as the "ANI Group".

Competition

The ANI Group is known for its high-quality products and well-known brands in the local and international markets. It is considered as one of the leaders in the food production/manufacturing and distribution industry.

Export Group

The fresh produce export business is full of big and established players. In the lucrative banana industry, ANI intends to expand its holdings thru supply agreements and Joint Ventures with corporate banana and pineapple plantation in order to secure supply and maintain quality that ANI export buyers prefer.

Distribution Group

The Distribution Group belongs to the fresh produce distribution industry which is largely price sensitive and driven by product quality and brand loyalty. Noted trend in the industry is the consumers’ preference for food that counters poor health caused by busy lifestyles, insufficient exercise and fast-food consumption. Hence, consumers are increasingly choosing naturally healthy foods such as fruits and vegetables. In addition, organic and natural food are increasingly becoming a trend, with consumers willing to pay a premium for these products over the commercially grown ones. To maintain its position in the market and to ensure continuing acceptability of its agricultural products, the ANI Group established a reasonable system of product traceability. Through this practical system, controls are put in place for the identification and tracking of produce to guarantee product quality.

ANI and its subsidiaries are presently one of the largest wholesalers of fresh vegetables to leading supermarkets, restaurants, hotels, cafeterias, and wet markets. The Distribution Group also supplies fresh vegetables to in-house brands of various supermarkets; hence ANI is considered as a major player in this segment.

Retail

The Retail Group under The Big Chill, Inc. belongs to the food and beverage industry which is largely driven by brand loyalty and premium quality products and services. Emerging industry trends are geared towards health and wellness, with emphasis on providing convenient means to eating healthy outside home. With a present roster of five (5) brands catering to several market segments, The Retail Group competes in the fresh fruit shake and specialty coffee categories. Flagship brands Big Chill and Tully's Coffee both cater to the A, B and Upper C market segments with high purchasing power, thus, providing both brands with multiple opportunities for growth and expansion. The research and development team of the ANI Parent is likewise pursuing innovation of healthy menu that will cater to its farm to plate vision.

Big Chill is a key player in the premium fresh fruit shake category backed by more than twenty (20) years of fruit blending expertise, while new player Tully's Coffee, an international coffee brand born out of Seattle, enters a mature coffee consuming local market.

Trademarks

Brands and trademarks used by ANI and its subsidiaries on their principal products and services are registered or pending registration with the Philippine Intellectual Property Office (IPO).

The following sets out information regarding the trademarks of the Company and its subsidiaries:

File No	: PH/4/2011/14433	
Old File No	: 42011014433	
Mark	: ANI AGRINUTURE, INC. LOGO	
Nice Class	:   35	
Renewal Date	: 29 March 2022	
3Y DAU Deadline	:	
5Y DAU Deadline	:	
Status	: Registered (3/29/2012)	



File No : PH/4/2011/14431 Old File No : 42011014431 Mark : AGRINURTURE, INC. Nice Class :   35   Renewal Date : 05 April 2022 3Y DAU Deadline : 5Y DAU Deadline : Status : Registered (4/5/2012)	AgriNurture, Inc.
File No : PH/4/2008/12207 Old File No : 42008012207 Mark : ANI AGRINURTURE INC. LOGO Nice Class :   35   Renewal Date : 13 August 2019 3Y DAU Deadline : 07 October 2010 5Y DAU Deadline : Status : Registered (8/13/2009)	
File No : PH/4/2008/12205 Old File No : 42008012205 Mark : AGRINURTURE INC. Nice Class :   35   Renewal Date : 13 August 2019 3Y DAU Deadline : 07 October 2010 5Y DAU Deadline : Status : Registered (8/13/2009)	AgriNurture Inc.
File No : PH/4/2011/12566 Old File No : 42011012566 Mark : PINOY MI Nice Class :   30   Renewal Date : 16 February 2022 3Y DAU Deadline : 18 October 2015 5Y DAU Deadline : Status : Registered (2/16/2012)	
File No : PH/4/2011/14428 Old File No : 42011014428 Mark : FRESH CHOICE ALWAYS Nice Class :   31   Renewal Date : 05 April 2022 3Y DAU Deadline : 05 December 2014 5Y DAU Deadline : Status : Registered (4/5/2012)	<b>Fresh Choice Always</b>



File No : PH/4/2011/14429 Old File No : 42011014429 Mark : FCA LOGO Nice Class :   31   Renewal Date : 05 April 2022 3Y DAU Deadline : 05 December 2014 5Y DAU Deadline : Status : Registered (4/5/2012)	
File No : PH/4/2011/12741 Old File No : 42011012741 Mark : FCA Nice Class :   29   30   31   Renewal Date : 16 February 2022 3Y DAU Deadline : 21 October 2014 5Y DAU Deadline : Status : Registered (2/16/2012)	
File No : PH/4/2011/81 Old File No : 42011000081 Mark : CAFETERIA VERDE AND DEVICE Nice Class :   43   Renewal Date : 05 May 2011 3Y DAU Deadline : 03 January 2014 5Y DAU Deadline : Status : Registered (5/5/2011)	
File No : PH/4/2010/9336 Old File No : 42010009336 Mark : SUPERFRESH SHAKES & DESSERTS Nice Class :   32   43   Renewal Date : 04 August 2021 3Y DAU Deadline : 25 August 2013 5Y DAU Deadline : Status : Registered (8/4/2011)	
File No : PH/4/1998/4324 Old File No : 41998004324 Mark : THE BIG CHILL & REPRESENTATION Nice Class :   32   Renewal Date : 01 July 2015 3Y DAU Deadline : 5Y DAU Deadline : Status : Registered (7/1/2005)	

File No : PH/4/2012/6990 Old File No : 42012006990 Mark : FRESH BAR BY BIG CHILL Nice Class :   43   29   30   32   Renewal Date : 3Y DAU Deadline : 11 June 2015 5Y DAU Deadline : Status : Registered	FRESH BAR BY BIG CHILL
File No : PH/4/2012/3579 Old File No : 42012003579 Mark : PROCHEF AND DEVICE Nice Class :   29   30   31   32   Renewal Date : 3Y DAU Deadline : 5Y DAU Deadline : Status : Abandoned with finality (10/12/2012)	
File No : PH/4/2011/14640 Old File No : 42011014640 Mark : SIMPLY DAIRY AND DEVICE Nice Class :   29   Renewal Date : 18 October 2022 3Y DAU Deadline : 09 December 2014 5Y DAU Deadline : Status : Registered (10/18/2012)	
File No : PH/4/2011/14427 Old File No : 42011014427 Mark : LA NATURAL & DEVICE Nice Class :   32   Renewal Date : 05 April 2022 3Y DAU Deadline : 05 December 2014 5Y DAU Deadline : Status : Registered (4/5/2012)	
File No : PH/4/2011/13855 Old File No : 42011013855 Mark : SUNGROWN AND DEVICE Nice Class :   31   Renewal Date : 15 March 2022 3Y DAU Deadline : 18 November 2014 5Y DAU Deadline : Status : Registered (3/15/2012)	

File No : PH/4/2011/12740 Old File No : 42011012740 Mark : BEST CHOICE HARVEST Nice Class :   31   7   1   Renewal Date : 16 February 2022 3Y DAU Deadline : 21 October 2014 5Y DAU Deadline : Status : Registered (2/16/2012)	
File No : PH/4/2008/9322 Old File No : 42008009322 Mark : NIKKA Nice Class :   32   Renewal Date : 25 February 2019 3Y DAU Deadline : 04 August 2011 5Y DAU Deadline : Status : Registered (2/25/2009)	
File No : PH/4/2012/7900 Old File No : 42012007900 Mark : NATURE'S MAGIC AND DEVICE Nice Class :   31   Renewal Date : 3Y DAU Deadline : 02 July 2015 5Y DAU Deadline : Status : Allowed for Publication, in verification of payment of publication fee (11/7/2012)	
File No : PH/4/2012/7896 Old File No : 42012007896 Mark : ANI MILK Nice Class :   29   Renewal Date : 18 October 2022 3Y DAU Deadline : 02 July 2015 5Y DAU Deadline : Status : Registered (10/18/2012)	
File No : PH/4/2012/7902 Old File No : 42012007902 Mark : FARMER'S GIFT Nice Class :   30   Renewal Date : 3Y DAU Deadline : 02 July 2015 5Y DAU Deadline : Status : Published for opposition (2/7/2013)	

File No : PH/4/2013/1379 Old File No : 42013001379 Mark : FARMER'S FRIEND Nice Class :   30   Renewal Date : 3Y DAU Deadline : 5Y DAU Deadline : Status : Under examination ( 4/10/2013)	
File No : PH/4/2011/008527 Old File No : 42011008527 Mark : NUTRI-LICIOUS Nice Class :   32   Renewal Date : 3Y DAU Deadline : 7/21/2014 5Y DAU Deadline : 2/24/2017 Status : Registered	
File No : PH/4/2002/010799 Old File No : 42002010799 Mark : MOM'S Nice Class :   30   Renewal Date : 3Y DAU Deadline : 12/18/2005 5Y DAU Deadline : n/a Status : Abandoned with finality	

**Customers**

ANI and its subsidiaries have a broad market base. The ANI Group sells its products to local and international markets and in various channels of distributors such as supermarket chains, groceries, hotels, restaurants, canteens, wet markets, and traders.

The Distribution Group's local sales to leading supermarket chain accounts for more than 11% of its total business.

The Export Group does not depend on any single customer which accounts for more than 34% of its total business.

The Retail Group does not depend on any single customer which accounts for more than 1% of its total business.

The Foreign Group does not depend on any single customer which accounts for more than 54% of its total business.

**Transactions with and/or Dependence on Related Parties**

In the regular course of business, ANI Group has transactions with related parties. These transactions are described in Note 21 (Related Party Transactions) of the Consolidated Financial Statements as of December 31, 2022 attached as **Annex “A”** hereof.

**Government Approvals and Licenses**

ANI and its subsidiaries have obtained all necessary permits, licenses and government approvals to manufacture, sell, distribute and export the ANI Group’s products.

ANI and FCAC are registered exporter and importer of the Bureau of Customs.

IMEX is a holder of License to Operate as Food Manufacturer/Exporter of multi-products issued by the Food and Drug Administration (FDA). In April 2021, the IMEX passed the certification audit in compliance with ISO 22000:2018 ver.5.1 Food Safety System Certification, HACCP ISO/TS 22002-1 – Good Manufacturing Practices. IMEX was granted the continuous certification of labor standards, health and safety also known as SMETA 2-pillars certification.

**Governmental Regulation**

The ANI Group operates its businesses in a highly regulated environment. To operate the business, ANI and its subsidiaries, are required to secure licenses and/or permits from government agencies such as the Food and Drug Administration, Bureau of Customs, Bureau of Plant Industry and the National Food Authority, among others. The suspension or revocation of the licenses issued by these government agencies could materially and adversely affect the business operations of the ANI Group.

ANI and its subsidiaries have no knowledge of recent or probable governmental regulations, the implementation of which will result in a material adverse effect on ANI and its significant subsidiaries’ business or financial position.

**Research and Development**

For the years 2021 and 2020, the amounts spent by the Company and its subsidiaries for research and development were Php69,945 and Php306,514, respectively.

**Cost of Compliance with Environmental Laws**

The Company and its subsidiaries incurred an estimated cost of Php 27,184 in 2021 and Php22,500 in 2020 for compliance with environmental laws. On a yearly basis, expenses incurred by the ANI Group in order to comply with environmental laws are not significant relative to the ANI Group’s total cost and revenues.

**Employees**

As of 31 December 2021, the Company has 386 employees, supported by 18 officers. The employees are not subject to a collective bargaining agreement (CBA).

The table below presents the Company’s personnel numbers by functional category for the period indicated below:

Category	Number of Employees For the Year Ended December 31,		
	2020	2021	2022
Executives (Officers and Managers)	18	18	16
Project Employees and Consultants	28	6	0
All Other Employees	308	362	417

Corporate Social Responsibility

ANI practices Corporate Social Responsibility (CSR) as part of its long-term business strategy for sustainability and continuity.

*Basic Social Services* - From time to time, ANI conducts Medical Missions for the poor and underprivileged communities in the country to help alleviate the health conditions of Filipino families.

ANI likewise undertakes clean-up activities in Pulilan, Bulacan spearheaded by its employees and several volunteers in cooperation with the Municipal Government.  
ANI, through the ANI Foundation, Inc. regularly participates in donation drives.

As a token of our appreciation to the frontliners who have saved our community tirelessly during this time of pandemic, we conducted feeding programs to Asian Medical Hospital and The Medical City. We also conducted feeding program to our ANI employees during the pandemic in Pulilan as well.

We donated our ready to drink canned beverages to the volunteers at the vaccination centers, namely Velasquez Health center in Tondo, and in Tibagan, San Juan City.

*Disaster Relief During emergencies* - ANI took part in the relief operations by sending variety of goods to the fire victims of Tondo last July 1, 2021

We, and the Ani Foundation are dedicated to continuously supporting our chosen beneficiaries – Tahanan ng Pagmamahal, Hospicio de San Juan de Dios, and Col E De Leon Elementary school - during in this time of need.

The team is likewise pursuing innovation of healthy menu that will cater to its farm to plate vision.

Regulation and Taxation

Currently, the company and its subsidiaries are required to pay 25% Corporate Income Tax. Most of the group’s revenues are VAT-free transactions due to the exemption of agriculture crops and export revenues from which are Zero-Rated VAT.<sup>1</sup> Only processed goods intended for local distribution and services are subject to the 12% VAT.

Insurance

The Company has an all-risk policy for each of its facilities and inventories against a variety of risks, including, among others, fire, lightning, catastrophic perils (typhoon, flood, earthquake, volcanic eruption), machinery breakdown, explosion, civil commotion, riot/strike, malicious damage, and other perils liability.

	Description	Insurance Provider	Amount Insured
1	FIRST CLASS AGRICULTURE CORPORATION – Arenas Arayat, Pampanga, Production Building, Residential Building, one guard house & locker, 1 genset house.	THE MERCANTILE INSURANCE CO., INC. FI-REG-BD-20-0000041-02	13,000,000.00
2	AGRINURTURE INC.: 1 COOLING MACHINE, 6 COLD STORAGE, 2 BLAST FREEZER. LOCATION: PULILAN, BULACAN	THE MERCANTILE INSURANCE CO., INC. FI-REG-BD-20-00000105-00	30,000,000.00

<sup>1</sup>Section 109 (C) AND (V) of the National Internal Revenue Code.



3	FIRST CLASS AGRICULTURE, INC. – on various industrial machineries / equipment used by the assured / ADDRESS: Arenas, Pampanga	THE MERCANTILE INSURANCE CO., INC. FI-SSP-HO-21-0001026-00	10,000,000.00
4	AGRINURTURE, INC. LBP INSURANCE BROKERAGE, INC – MALAYAN INSURANCE CO., INC. / Property Insured: Manufacturing/Canning Building Building, Warehouse Building, Cheesecake Production Building Warehouse, Vegetable Processing Bldg., Pulilan, Bulacan	LBP INSURANCE BROKERAGE, INC – MALAYAN INSURANCE CO., INC. F0024703	29,331,000.00

In addition to the all-risk policy, the Company maintains various general liability and product liability insurance policies covering its operations. These policies do not cover liability as a result of pollution or environmental damage by the Company. The products liability insurance policy insures all of the Company's export products. The Company's insurance policies are provided by leading Philippine insurance companies that are generally reinsured by major international insurance companies.

**Health, Safety and Environmental Matters**

The Company is subject to a number of employee health and safety regulations in the Philippines. The Company is subject to the occupational safety and health standards promulgated by the Philippine Department of Labor and Employment. It is Company policy that a safe and healthy work environment is fundamental to the management of its human resources as well as conducive to greater employee productivity. The Company's Human Resource Department is responsible for formulating, implementing and enforcing the Company's employee health and safety policies as well as ensuring compliance with applicable laws and regulations.

The Company is also subject to various laws and regulations concerning the discharge of materials into the environment. The Company is subject to extensive regulation by the Philippine Department of Environment and Natural Resources.

**Risk Factors**

**1. Risks Related to the Company**

- a) The Company's financial condition and results of operations may be adversely affected by any disruption in the supply, or the price fluctuation of raw materials required for its major products.

ANI procures its vegetables and fruits from various sources, ranging from small farmers to cooperatives and big producers. As a policy, volume and quality is the main consideration in the sourcing of all the products handled by ANI. However, the risk of supply shortage poses a significant threat to the continuity of business operations and ultimately to the results of operations of the Company.

To mitigate supply risks, ANI has the following in place:

- ANI observes an "open line" type of communication with all its suppliers, maintaining 24/7 constant coordination and accessibility with key personnel including the Company's top management. This enables the Purchasing Division to realign sourcing activities and locations in a timely and appropriate manner should supply issues arise.
- ANI, owing to its long-standing stature in the fresh foods industry, is able to attract reputable and reliable long-term suppliers. The strong relationship with its suppliers, built over years of mutually beneficial dealings, allows the Company and its suppliers to address and resolve any supply concerns that may arise from time to time through mutual cooperation.
- The establishment of cold storage facilities in Pulilan (Central Luzon) central packing house and Cagayan De Oro (Mindanao) central depot in the last quarter of 2009 provided ANI with

the capacity to effectively store large volumes of fresh vegetables, thereby mitigating the risks inherent in the seasonality of supplies for certain types of produce. The cold storage prolongs shelf life and enables the Company to maintain a buffer stock for the produce to better serve clients and maximize profit in times of shortage.

- ANI is currently expanding its cold storage facilities to increase its capacity to stock supplies. Part of the proceeds from the intended stocks right offering shall be directed to this purpose.
- ANI intends to develop and operate productive farmland that would significantly influence the implementation of Good Agricultural Practices (GAP) and traceability and reduce or eliminate its dependence on third party sources for its supplies and improve its ability to control its quality and prices.

b) The Company's business is affected by seasonality

The demand for and supply of many fruits and vegetables is seasonal, and the price of any particular commodity may change significantly, depending on the season. Market demand is especially strong during the Yuletide season in the last quarter of the calendar year. Because of seasonality, the results of operations of the Company may fluctuate significantly from one quarter to another.

To mitigate the risks of the seasonality of supplies and prices, the Company has diversified its sources of products geographically, such that seasonal fluctuations in one region can be offset by those in another region. The setting-up of additional cold storage facilities also allows the Company to stock up on certain produce when they are 'in season' and therefore relatively inexpensive; thus, such produce can be sold in the market when they are 'off season' and can command higher prices and provide wider gross profit margins.

c) The Company may experience losses due to inadequate or failed internal processes and systems.

The Company handles numerous transactions daily, most of which involve cash transactions. A failure in internal procedures or systems, fraud, or the impact of external events carries a risk that the Company may experience losses on any or all of the transactions that it handles. The specific type of risks that the Company faces includes:

- Risk arising from fraudulent activities of a third party or internal party such as robbery or theft of supplies (especially during transport);
- Risk resulting from inadvertent failure to satisfy a professional responsibility or obligation to particular suppliers or customers, including the prompt payment of payables and the delivery of supplies;
- Risks arising from the widely dispersed nature of the Company's operations, including issues on safety, telecommunications, transport and remote monitoring.
- Risks arising from failure in process management or transaction processing due to poor relationships with vendors and commercial service providers.

To mitigate the foregoing risks, ANI has centralized its purchasing functions at the Manila liaison office thereby eliminating the risks inherent in dealing with numerous provincial suppliers as well as with numerous and highly autonomous middlemen in the field. Furthermore, centralizing purchasing significantly increases control over field operations and enhances efforts towards standardizing the methods and quality of our processes. Systems (monitoring, tracking, communications, and logistics) and procedures are also being constantly reviewed, changed and/or upgraded as part of the overall effort to minimize and eliminate inefficiencies in the supply chain.

d) The Company faces the risk of inadequate supply in the event of inclement weather.

Inclement weather is traditionally a major source of uncertainty in the agriculture industry. Its inherent volatility and the occurrence of extreme weather events due to global climate change impacts greatly the performance and management of the Company's farming and trading operations. For example, the



El Niño and La Niña phenomenon, characterized by alternating cycles of inadequate and excessive rainfall, respectively, has in the past posed significant challenges to growers and traders alike.

To manage this risk, ANI implements a geographical diversification strategy where its operations are spread across the country, depending on the existing season (wet or dry) to ensure continued production and trading. As such, the Company is able to step up operations in farms, buying stations and raw material trading posts in the Visayas and Mindanao to offset the cutback in the Luzon area before the typhoon season begins. The Company believes that its nationwide presence has allowed for a stable and reliable conduct of operations all year round.

Moreover, as a farming practice, ANI adapts to the current season to determine the crops to be planted and produced (i.e., rice production during wet season), thus enabling its farms to remain productive every month of the year. In addition, this crop rotation method is able to prevent depletion of nutrients of the soil and immunity of domestic pest.

- e) The Company faces risks arising from pest and insect infestation.

Pest and disease infestation affect both the quantity and quality of commodities available for the market. If not addressed appropriately, infestation may translate to decreased crop yield and farm output, as well as uncertainty in commodity prices. Infestation may also render the Company's products unacceptable to both domestic and export markets, and could adversely affect its results of operations.

The Company mitigates this risk by adopting a mix of modern pest control systems, GAP (such as crop rotation), the use of a mixture of organic fertilizers in its production farms, and the use of biotech products especially those that are resistant to pests and diseases. ANI also sources its supply requirements from farms and buying stations located in different provinces and regions of the country. This way, no widespread infestation would drastically weaken the Company's supply chain at any time. ANI's nationwide diversified geographical locations allow its farm production and trading activities to easily shift the bulk of its key operations from one region to another should the need arise.

## **2. Risks Relating to the Philippines**

The Company's operations are concentrated in the Philippines, and therefore any downturn in general economic conditions in the Philippines could have a material and adverse impact on the Company.

Historically, the results of the Company's operations have been influenced, and will continue to be influenced to a certain degree, by the general state of the Philippine economy. In the past, the Philippines had experienced periods of slow or negative growth, high inflation, significant devaluation of the peso and the imposition of exchange controls. However, given that the Company's primary business is basic food, it enjoys a certain degree of insulation from the negative effects of economic stagnation or recession.

- a. Any political instability in the Philippines may adversely affect the Company.

As a developing economy with a democratic political structure and environment, the Philippines has from time to time, experienced political instability. Any occurrence of instability in the future could result in unforeseen or sudden changes in the business, regulatory and policy environment that could have an adverse impact on the operations and financial condition of Philippine corporations and businesses, including our Company.

## **Item 2. Properties**

The Company is the registered owner of parcels of land located at Pulilan, Bulacan, Philippines with a total area of approximately 21,080 square meters. The Company also owns 4 office units with an area of approximately 300 square meters located at the Ortigas Business District, Pasig City.

The Company owns blast freezers, cold storage, filling and canning machineries and equipment and a water treatment facility located along the National Highway, Barangay Dampol 2A, Pulilan, Bulacan and Balongis, Balulang, Cagayan de Oro City.

The Company's lots in Pulilan, Bulacan, were used as collateral secure a long-term loan.

## Subsidiaries

### a. First Class Agriculture Corporation

The Company's subsidiary, FCAC, is the registered owner of a parcel of land located at Barangay San Antonio (formerly Arenas), Arayat, Pampanga, Philippines with an area of approximately 10,000 square meters. The aforementioned land is presently improved with seven (7) buildings, namely: (i) Office Building with a total floor area of 240 square meters; (ii) Rice Mill with a total floor area of 1,875 square meters; (iii) Mixing Area/Warehouse; (iv) Husk collector; (v) Generator House; (vi) Residential Building with a total floor area of 181 square meters; and (vii) Guardhouse with a total floor area of 37 square meters.

### b. Fruitilicious, Inc.

Fruitilicious, Inc., another subsidiary of the Company, owns and operates a food processing and blast freezing facility with land area of about 2,000 square meters to produce frozen and dried fruit products and by-products in Cagayan de Oro. It has a cold storage facility, and a house and lot.

## Item 3. Legal Proceedings

The Company is not aware of any legal proceedings of the nature required to be disclosed under Part I, paragraph I of Annex "C", as amended, of the Securities Regulation Code (SRC) Rule 12 with respect to the Company and/or its subsidiaries. However, while not material, the pending proceedings involving the Company and/or its subsidiaries are as follows

### a. *"In the Matter of the Request for Assistance ("RFA") of ns Sorensen vs. AgriNuture, Inc. and/or Antonio L. Tiu*

A Request for Assistance was filed on 19 March 2014 by Mr. Jens Sorensen against the Company and/or Antonio L. Tiu in the National Labor Relations Commission- NCR Arbitration Branch, for illegal dismissal with money claims, docketed as SEAD-NLRC-NCR-2014-03-04065. Based on the DOLE-SENA Form No. 1 attached to the Notice of Conference, Mr. Sorensen is seeking the following reliefs: (1) payment of money claims; (2) reinstatement; (3) back wages (4) damages in the amount of \$500,000.00 and (5) attorney's fees in the amount of Php 500,000.00.

The last mediation conference was held on 23 April 2014. There being no possibility for the parties to reach an amicable settlement, the mediation officer terminated the mediation proceedings.

Mr. Sorensen filed a formal complaint with the National Labor Relations Commission and both Parties already submitted their respective position papers and replies thereto. The case is now submitted for Resolution.

The Labor Arbiter rendered a decision finding that there was illegal dismissal, but with modification as to the amount being claimed for back pay and damages. Both Parties filed their respective Motions for Partial Reconsideration.

Both Parties appealed the decision to the Commission, but the latter sustained the findings of the Labor Arbiter. Subsequent motions for reconsideration were denied.

Both Parties appealed the Decision with the Court of Appeals. The Company prayed for a temporary restraining order for the execution of the award of the Labor Arbiter pending appeal, but no resolution has been received.

The Court of Appeals partially granted ANI's appeal by ruling that Jens Sorensen is not entitled to separation pay and found that Mr, Antonio L. Tiu is not solidarity liable with AgriNuture, Inc. to pay the monetary award. However, the CA sustained the award for back wages.

Both parties filed their Motion for Partial Reconsideration, which were both denied by the CA.

Thereafter, both parties filed their respective Petitions for Review on Certiorari before the Supreme Court (the “SC”) which were consolidated in the Second Division of the SC.

As of date the Corporation has not received any decision from the SC in relation to the instant case.

b. *M2000 Imex Company v. Emmanuel Dueñas, et al.*

M2000 IMEX Company, Inc. filed a case for Estafa against several individuals who were Members of the Board of Directors and Officers of Tolman Manufacturing, Inc. at the time of the execution of the Shareholders’ Agreement on November 29, 2012. The case is premised on the alleged false representation that Tolman Manufacturing, Inc. has business or transactions with IMEX, receiving personal property therefor, resulting in IMEX’s great damage and prejudice.

The case has been dismissed by the City Prosecutor of Makati. On November 04, 2020, IMEX filed for reconsideration, to which the City Prosecutor issued an order stating that the case shall be submitted for resolution upon receipt of the comments. On December 28, 2020, IMEX received the corresponding comments/opposition from the respondents, and is due to file a reply and a motion for leave to file a reply.

On March 03, 2021, IMEX received a Resolution from the Office of the City Prosecutor of Makati City, finding probable cause against Emmanuel V. Dueñas, thereby charging him of the crime of Estafa, with recommended bail at ₱120,000.00. As to the other Respondents, the Complaint was dismissed for lack of probable cause.

Mr. Dueñas appealed the resolution by filing a Petition for Review with the Department of Justice. On 18 April 2022, the DOJ issued a Resolution dismissing the Petition.

**Item 4. Submission of Matters to a Vote of Security Holders**

The 2022 Annual Stockholders’ Meeting of the Company was held on 25 November 2022 In attendance were the following:

<b>Total issued and outstanding shares</b>	1,024,446,888
<b>Total no. of shares represented in the meeting</b>	816,486,490

The following matters, which were on the agenda, were approved/ratified by the stockholders present or represented in the said Annual Stockholders’ Meeting:

- 1.Minutes of the Annual Meeting of the Stockholders held last 5 November 2021;
2. Ratification of all acts and resolutions of the Board of Directors and Management adopted during the preceding year;
3. Annual Report and Financial Statements for the year ended 31 December 2021;
4. Delegation of the appointment of External Auditor for fiscal year 2022 to the Audit Committee; and
5. Approval of the authority to apply with the Securities and Exchange Commission for Equity Restructuring involving the application of Additional Paid-In Capital.

At the same meeting, the following were elected Directors of the Company:

- 1. Antonio L. Tiu
- 2. Yang Chung Ming
- 3. Atty. Martin C. Subido
- 4. Kenneth S. Tan
- 5. Senen L. Matoto
- 6. Antonio Peter R. Galvez
- 7. Jennifer T. Ching
- 8. Luis Rey I. Velasco
- 9. Jose S. Ejercito (Independent Director)
- 10. Atty. Maximilian Chua (Independent Director)
- 11. Jose Antonio S. Vilar (Independent Director)

There were no matters submitted to a vote of security holders during the quarters of the fiscal year subsequent to the Annual Shareholders Meeting covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Issuer's Common Equity and Related Stockholder Matters

1. Market Information

The Company has 1,024,446,888 issued and outstanding common shares and 720,000,066 shares have been listed with the Philippine Stock Exchange (PSE) as of 31 March 2023.

The following is a summary of the high and low closing trading prices at the PSE for each of the quarterly periods from 2021 to 2022:

	2022		2021	
In Php	High	Low	High	Low
1 <sup>st</sup> Quarter	5.35	5.14	7.98	6.20
2 <sup>nd</sup> Quarter	4.99	4.62	7.16	7.32
3 <sup>rd</sup> Quarter	6.09	5.83	6.33	7.80
4 <sup>th</sup> Quarter	7.24	6.97	5.10	7.81
Source: Philippine Stock Exchange				

The high and low daily closing prices for the first quarter of 2023 are Php 7.63 and Php 7.56 respectively.

As of 31 March 2023, the shares of the Company are being traded at the PSE at a price of Php 5.30 per share.

2. Holders

As of 31 March 2023, the Company has a total outstanding common stock of 1,024,446,888 common shares held by forty-two (42) individual and corporate stockholders on record.

Based on the Company’s stock transfer agent, the top twenty (20) stockholders of the Company on record as of 31 March 2023 are as follows:

	NAME	NO. OF SHARES	PERCENTAGE
1	PCD NOMINEE CORPORATION (FILIPINO)	272,694,863	37.1265%
2	PCD NOMINEE CORPORATION (FOREIGN)	301,614,199	18.9310%
3	EARTHRIGHT HOLDINGS, INC.	250,000,000	24.4034%
4	GREENERGY HOLDINGS, INC.	116,296,246	11.3521%
5	A.R.C ESTATE AND PROJECT CORP.	29,653,350	2.8946%
6	TIU, ANTONIO LEE	27,733,933	2.7072%

7	PPARR MANAGEMENT & HOLDINGS CORPORATION	18,620,670	1.8176%
8	PLENTEX PHILIPPINES, INC.	6,172,800	0.6025%
9	YANG CHUNG MING	1,566,200	0.1529%
10	DEAN, GERARDO L.	62,700	0.0061%
11	CRISOSTOMO, JOSE MARIANO	16,000	0.0016%
12	FERRIOLS, JOSE A. &/OR EDUARDO FERRIOLS	5,000	0.0005%
13	LIM, NIEVES Q. & OR ALEXANDER D. LIM	2,640	0.0003%
14	SAYRE, JAMES DAVID	1,200	0.0001%
15	LACSON, MARICEL C.	1,200	0.0001%
16	LIN, TAI-CHUAN	1,199	0.0001%
17	YOUNG, BARTHOLOMEW DY BUNCIO	1,000	0.0001%
18	SANVICTORES, JULIUS VICTOR/EMMANUEL DE JESUS	1,000	0.0001%
19	TAN, KENNETH SABINO S.	1,000	0.0001%
20	BUSMEON, CHARLIE Y.	800	0.0001%

The following stockholders own more than 5% of the outstanding capital stock under the PCD Nominee Corp. as of 31 March 2023:

Common	<b>Greenery Holdings, Inc.</b> 54 National Road, Dampol II-A, Pulilan, Bulacan	PCD Nominee Corp. (Filipino) is the record owner  [for Greenery Holdings, Inc.]	Filipino	116,296,246	11.35%
Common	<b>Earthright Holdings, Inc.<sup>2</sup></b> Unit 3C, Valuepoint Executive Building, 227 Salcedo St. Legazpi Village, Makati City  Stockholder	PCD Nominee Corp. (Filipino) is the record owner  [for Earthright Holdings, Inc.]	Filipino	250,000,000	24.40%
Common	<b>PCD Nominee Corp. (Foreign)<sup>3</sup></b> G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City  Stockholder	PCD Nominee Corp. (Foreign) is the record owner  [for Vikings Asia Agriventures BV]	Dutch	248,516,403	24.24%

<sup>2</sup> The shares held by Earthright Holdings, Inc. in the Company shall be voted or disposed by the person who shall be duly authorized by the record owner (Earthright) for the purpose. The natural person that has the power to vote on the shares of Earthright shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

<sup>3</sup>PCD Nominee Corporation is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCD Nominee Corporation are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in the Company are to be voted.

The natural person that has the power to vote on the shares of Vikings Asia Agriventures BV shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

Common	PCD Nominee Corp. (Foreign) <sup>4</sup> G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City  Stockholder	PCD Nominee Corp. (Foreign) is the record owner [for Alcione Family Office Services Co., Ltd.].	Japanese	53,097,796	5.2%
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### 3. Dividends

The Company is authorized to declare and distribute dividends to the extent that it has unrestricted retained earnings. Unrestricted retained earnings represent the undistributed profits of a corporation that have not been earmarked for any corporate purposes. A corporation may pay dividends in cash, by distribution of property, or by issuance of shares. Dividends declared in the form of cash or additional shares are subject to approval by the Company’s Board of Directors. In addition to Board approval, dividends declared in the form of additional shares are also subject to the approval of the Company’s shareholders representing at least two-thirds (2/3) of the outstanding capital stock. Holders of outstanding common shares as of a dividend record date will be entitled to full dividends declared without regard to any subsequent transfer of such Shares. SEC approval is required before any property or stock dividends can be distributed. While there is no need for SEC approval for distribution of cash dividends, the SEC must be notified within five (5) days from its declaration.

On 11 April 2012, the Board of Directors of the Company approved the declaration of a 20% stock dividend with a record date of 15 June 2012 and payment date of 11 July 2012. The said 20% stock dividend declaration was ratified by the stockholders on 21 May 2012.

Aside from the foregoing, the Company has not declared any other dividends during the year 2019 and 2020

### 4. Recent Issuance of Shares Constituting Exempt Transaction

On 8 April 2014, the Company filed a Notice of Exempt Transaction with the SEC in relation to the Promissory Note by the Company dated 31 March 2014 in favor of Black River was issued for the principal amount of Forty-Nine Million Pesos (Php 49,000,000) with interest at the rate of three per cent (3%) per annum and term of until December 19, 2016 from issue date.

To ensure that a sufficient number of shares for the exercise of the Conversion Option and/or the Subscription Option by Black River as described above, the Company will set aside, at least, 17,342,566 authorized but unissued shares, which number of shares shall be adjusted upon any exercise of the Conversion Option or Subscription Option.

The form of payment for the Note is in cash and no underwriter or selling agent was involved in any of the sales. Exemption from registration was based on Section 10.1 (k) of the Securities and Regulations Code, to wit:

*“(k) The sale of securities by an issuer to fewer than twenty (20) persons in the Philippines during the twelve-month period.”*

The 119,760,666 authorized but unissued shares set aside by the Company were already registered with the SEC at the time of the sale, pursuant to the SEC Order of Registration and Certificate of Permit to offer

<sup>4</sup>PCD Nominee Corporation is a wholly-owned subsidiary of Philippine Central Depository, Inc. (“PCD”). The beneficial owners of such shares registered under the name of PCD Nominee Corporation are PCD’s participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in the Company are to be voted.

The natural person that has the power to vote on the shares of Vikings Asia Agriventures BV shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

Securities for Sale dated 19 May 2009. The Notice of Exemption was filed by the Company in compliance with the directive of the Philippine Stock Exchange (PSE), as part of the post-approval requirements for private listing of the Issuer.

On 9 July 2014, the Company filed a Notice of Exempt Transaction with the SEC in relation to the Subscription Agreement executed by AgriNurture, Inc. and Greenery Holdings Incorporated for Eighty-Five Million Nine Hundred Ninety Thousand Five Hundred Thirty-Three (85,990,533) primary common shares of ANI.

The transaction pertains to the subscription by Greenery Holdings Incorporated to Eighty-Five Million Nine Hundred Ninety Thousand Five Hundred Thirty-Three (85,990,533) primary common shares of the Company at the issue price of Three Pesos (Php 3.00) per share or a total subscription price of Two Hundred Fifty-Seven Million Nine Hundred Seventy-One Thousand Five Hundred Ninety-Nine Pesos (Php 257,971,599.00).

The regulatory requirements are:

- a. The listing of the Subscription Shares must be applied with and approved by the Philippine Stock Exchange;
- b. Documentary stamp tax on original issuance of shares of stock must be paid to the Bureau of Internal Revenue on or before the 5th day of the month immediately following the date of the issuance of the subscription shares (i.e., execute of the subscription agreement)
- c. Pursuant to Section 9(1) Article II of the By-Laws of the Company, the Company must secure the approval of stockholders representing at least 75% of the outstanding capital stock of the Corporation; and
- d. The requirements under Section 5, Part A, Article V of the PSE Revised Listing Rules must be obtained by the Company, namely:
  - i. Approval and/or ratification by the stockholders of the transaction; and
  - ii. Securing the grant of a waiver of the requirement to conduct a rights or public offering to the shares subscribed by a majority vote representing the outstanding shares held by the minority stockholders presented or represented.

The Company has complied with the requirements and obtained the requisite approvals under paragraphs(c) and (d) above during the Annual Stockholders' Meeting on 23 June 2014.

## **Item 6. Management's Discussion and Analysis**

The following Management Discussion and Analysis should be read in conjunction with the attached audited consolidated financial statements of AgriNurture, Inc. and Subsidiaries for the fiscal year ended 31 December 2022.

### **Business Overview**

AgriNurture, Inc. (the "Company" or ANI), formerly known as Mabuhay 2000 Enterprises, Inc., was founded in 1997 as an importer, trader and fabricator of post-harvest agricultural machineries. The Company eventually diversified into various agro-commercial businesses specifically focusing on the export trading of fresh Philippine carabao mangoes.

Currently, the Company conducts its business through operating divisions and wholly-owned or majority-owned subsidiaries that are organized into two (2) groups, namely: (i) Philippine Operations and (ii) Foreign Operations.

The Philippine Operations Group is organized into three business units: (1) Exports, (2) Local Distribution, and (3) Retail & Franchising. Meanwhile, Foreign Operations is principally fruits and vegetable trading in Hong Kong/China.

At present, ANI exports bananas, packaged coco-water, mangoes and pineapple to customers in Mainland China, Hong Kong, the Middle East, North America and to different European regions.

ANI Group's revenues for 2022, 2021 and 2020 by each of the principal business segments are as follows:

	2022	2021	2020
<b>Philippine operations</b>			
Export	1,286,141,246	1,550,633,966	1,766,417,947
Local Distribution	311,390,728	508,139,893	303,214,323
Retail & Franchising	60,001,610	22,397,536	21,134,816
Sub-total	1,657,533,584	2,081,171,395	2,090,767,086
<b>Foreign operations</b>			
Hong Kong/China	2,179,293,895	2,468,116,983	2,317,981,896
<b>Sub-total</b>	2,179,293,895	2,468,116,983	2,317,981,896
<b>TOTAL REVENUE (CONSO)</b>	<b>3,836,827,479</b>	<b>4,549,288,378</b>	<b>4,408,748,982</b>

**Year ended December 31, 2022 versus December 31, 2021**

**Results of Operations**

**Net Sales**

ANI Group sustained a consolidated sale of goods and services at Php3.83 billion for the year ended December 31, 2022 compared to Php 4.55 billion for same period last year. For the year ended December 31, 2022, Philippine operations contributed 43% while sales from foreign operations accounted for 57% of consolidated sales. Sale of goods and services by business segment follows:

- Export sales posted a decrease of 17.06% for the year or Php 1.29 billion in 2022 from Php 1.55 billion in 2021, primarily due to global logisitics issues and lower supply of produce brought about by the Covid-19 pandemic.
- Domestic distribution sales posted a decrease of 38.72% to Php 311.40 million in 2022 from 508.14 million in 2021 mainly due to the decrease sales of rice.
- Retail and franchising sales registered an increased of 167.89% to Php60 million in 2022 from Php 22.40 million in 2021, primarily due to opening of stores located in major malls.

Combined Foreign trading operations posted a decrease of 11.70% to Php2.18 billion in 2022 from Php2.47 billion in 2021, due to decrease in sales both of residential and commercial units and merchandising since the lockdown in China started ~~last~~ about by the COVID-19.

Cost of sales consists of:

- Cost of purchasing fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China.
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;



- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process;

For the year ended December 31, 2022, ANI Group's cost of sales and services decline to Php 3.43 billion or 15.47% from Php 4.06 billion for the year 2021 in line with the decrease in sales during the period.

### **Gross Profit**

Consolidated gross profit down by Php 84.89 million or 17.19% for the year ended December 31, 2022. The gross profit down from Php 493.87million in 2021 to Php408.98million in 2022.

### **Operating Expenses**

The Company's operating expenses consist of selling expenses and administrative expenses which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rentals
- Depreciation and amortization
- Freight and handling
- Communication, light and water
- Impairment loss on receivables

Consolidated operating expenses for the 2022 amounted to Php 351.76 million down from Php 365.35 million in 2021 due to effective efforts of management in cost reduction .

### **Other Income (Charges)**

Other income-net in 2022 amounted to Php46.93 million and Php966.14 other charges-net in 2021. There was no recognition of gain on revaluation of investment property during the year.

### **Finance Costs**

Finance Costs for the years 2022 and 2021 are Php58 million and Php 42 million, respectively.

### **Net Income**

Net income for fiscal year 2022 amounted to Php2.5million of which Php-10.56 million loss is attributable to equity holders of the parent while Php 13 million is attributable to non-controlling interest.

### ***Financial Condition***

#### **Assets**

ANI Group's consolidated total assets as of December 31, 2022 amounted to Php5.86 billion, a decrease of 1.27% from Php 5.94 billion as at December 31, 2021. The following explain the significant movements in the asset accounts:

- The Group's cash balance increased by Php18.58 million primarily due to increase in collections despite payment of day-to-day operations of the Company and settlement of loans and other liabilities.
- Receivables decreased by Php 72 million mainly due to collection efforts made during the year.
- Advances to a stockholder has a significant decrease from Php275.73 million in 2021 to Php 255.68 million in 2022. All advances will be collected and liquidated by the stockholder.

- Inventories increased from year end 2021 balance of Php 1.32 billion to Php1.37 billion in 2022 to increase the Group's inventory stock level due to limited mobility during pandemic.
- Property and equipment and intangible assets decreased by Php9.82 million due to recognition of depreciation.

## **Liabilities**

Consolidated liabilities amounted to Php1.66 billion as of December 31, 2022.

Total current liabilities decreased to Php1.60 billion in 2022 from Php 1.71 billion during the year.

Total non-current liabilities decreased to Php 23.99 million due to payment of loans during the year.

## **Equity**

Consolidated stockholders' equity as of December 31, 2022 increased to Php 4.21 billion mainly due to improve in net operating performances of the subsidiaries.

## **Liquidity and Capital Resources**

Net cash flows provided by operating activities for the year 2022 was Php120 million.

Net cash flow provided by investing activities is Php37.38 million mainly due to advances to its related parties and stockholder.

Net cash flows used in financing activities is Php144.35 million.

## **Year ended December 31, 2021 versus December 31, 2020**

### **Results of Operations**

#### **Net Sales**

ANI Group sustained a consolidated sale of goods and services at Php4.55 billion for the year ended December 31, 2021 compared to Php 4.41 billion for same period last year. For the year ended December 31, 2020, Philippine operations contributed 46% while sales from foreign operations accounted for 54% of consolidated sales. Sale of goods and services by business segment follows:

- Export sales posted a decrease of 12.22% for the year or Php 1.55 billion in 2021 from Php 1.77 billion in 2020, primarily due to global logistics issues and lower supply of produce brought about by the Covid-19 pandemic.
- Domestic distribution sales posted an increase of 67.58% to Php 508.14 million in 2021 from 303.21 million in 2020 mainly due to the increase in demand of essential goods in supermarkets. In addition, the Group also launched an online platform where it delivers fresh fruits and vegetables to customers.
- Retail and franchising sales registered an increase of 5.97% to Php22.40 million in 2021 from Php 21.13 million in 2020, primarily still due to lockdowns in Metro Manila and nearby provinces in the latter part of the year, wherein malls, where most of the stores are located, are allowed to open.
- Combined Foreign trading operations posted an increase of 6.48% to Php2.47 billion in 2021 from Php2.32 billion in 2020, due to increase in sales of residential and commercial units since the lockdown in China started ~~last~~ about by the COVID-19. But sales started to grow for both merchandising and real estate businesses especially when the lockdown was lifted by the Chinese government.

Cost of sales consists of:

- Cost of purchasing fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China.
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process;

For the year ended December 31, 2021, ANI Group's cost of sales and services amounted to Php 4.06 billion up by 4% from Php 3.90 billion for the year 2020 mainly due to higher amount of purchases of raw materials such as fruits and vegetables, construction supplies, freight and handling cost, salaries and wages which is in line with the increase in sales during the period.

### **Gross Profit**

Consolidated gross profit down by Php 17.88 million or 3.49% for the year ended December 31, 2021. The gross profit down from Php 511.74 million in 2020 to Php493.87 million in 2021.

### **Operating Expenses**

The Company's operating expenses consist of selling expenses and administrative expenses which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rentals
- Depreciation and amortization
- Freight and handling
- Communication, light and water
- Impairment loss on receivables

Consolidated operating expenses for the 2021 amounted to Php 365.35 million down from Php 445.13 million in 2020 due to recognition of impairment loss on receivables in 2020.

### **Other Income (Charges)**

Other income-net in 2021 amounted to Php966.14 million and Php13.35million other charges-net in 2020. The increase is due to recognition of gain on revaluation of investment property and biological assets.

### **Finance Costs**

Finance Costs for the years 2021 and 2020 are Php42 million and Php 42.08 million, respectively.

### **Net Income**

Net income for fiscal year 2021 amounted to Php1.06 billion of which Php529.03 million gain is attributable to equity holders of the parent while Php 528.83 million is attributable to non-controlling interest.

### **Financial Condition**

#### **Assets**

ANI Group's consolidated total assets as of December 31, 2021 amounted to Php5.94 billion, an increase of 36.06% from Php 4.36 billion as at December 31, 2020. The following explain the significant movements in the asset accounts:

- The Group's cash balance increased by Php22.57 million primarily due to increase in collections despite payment of day-to-day operations of the Company and settlement of loans and other liabilities.
- Receivables increased by Php180.07 million mainly due to the significant increase in sales in real estate income during the year.
- Advances to a stockholder has a significant decrease from Php390.31 million in 2020 to Php 275.73 million in 2021. All advances will be collected and liquidated by the stockholder.
- Inventories increased from year end 2020 balance of Php 1.08 billion to Php1.32 billion in 2021 to increase the Group's inventory stock level due to limited mobility during pandemic.
- Property and equipment and intangible assets decreased by Php8.77million due to recognition of depreciation.

## **Liabilities**

Consolidated liabilities amounted to Php1.79 billion as of December 31, 2021.

Total current liabilities increased to Php 1.71 billion in 2021 from Php 1.40 billion during the year.

Total non-current liabilities decreased to Php 79.57 million due to payment of loans during the year.

## **Equity**

Consolidated stockholders' equity as of December 31, 2021 increased to Php 4.15 billion mainly due to improve in net operating performances of the subsidiaries and recognition of gain on asset revaluation.

## **Liquidity and Capital Resources**

Net cash flows used in operating activities for the year 2021 was Php119.77 million.

Net cash flow used in investing activities is Php123.54 million mainly due to advances to its related parties and stockholder.

Net cash flows provided by financing activities is Php265.88 million.

## **Year ended December 31, 2020 versus December 31, 2019**

### **Results of Operations**

#### **Net Sales**

ANI Group sustained a consolidated sale of goods and services at Php4.41 billion for the year ended December 31, 2020 compared to Php 4.54 billion for same period last year. For the year ended December 31, 2020, Philippine operations contributed 47% while sales from foreign operations accounted for 53% of consolidated sales. Sale of goods and services by business segment follows:

- Export sales posted a decrease of 7.59% for the year or Php 1.77 billion in 2020 from Php 1.91 billion in 2019, primarily due to low supply of mangoes brought about by limited mobility caused by the pandemic.
- Domestic distribution sales posted a decrease of 109.68% to Php 303.21 million in 2020 from 144.61 million in 2019 mainly due to the increase in demand of essential goods in supermarkets. In addition, the Group also launched an online platform where it delivers fresh fruits and vegetables to customers.

- Retail and franchising sales registered a decline of 71.89% to Php21.13 million in 2020 from Php 75.19 million in 2019, primarily due to implementation of lockdowns in Metro Manila and nearby provinces wherein malls, where most of the stores are located, were not allowed to open.

Combined Foreign trading operations posted a decrease of 3.59% to Php2.32 billion in 2020 from Php2.40 billion in 2019, mainly because of the decrease in sales in Hong Kong and China brought about by the pandemic.

Cost of sales consists of:

- Cost of purchasing fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China.
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process;

For the year ended December 31, 2020, ANI Group's cost of sales and services amounted to Php 3.90 billion up by 4.9% from Php 3.71 billion for the year 2019 mainly due to higher amount of purchases of raw materials such as fruits and vegetables, construction supplies, freight and handling cost, salaries and wages which is in line with the increase in sales during the period.

### **Gross Profit**

Consolidated gross profit down by Php 308.95 million or 38% for the year ended December 31, 2020. The gross profit down from Php 820.69 million in 2019 to Php511.74 million in 2020.

### **Operating Expenses**

The Company's operating expenses consist of selling expenses and administrative expenses which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rentals
- Depreciation and amortization
- Freight and handling
- Communication, light and water
- Impairment loss on receivables

Consolidated operating expenses for the 2020 amounted to Php 445.13 million down from Php 692.40 million in 2019 mainly due to the cease in operations of the Hongkong subsidiaries. The company also recognizes an impairment loss on receivables from Tolman Manufacturing amounting to P60.63 million in 2020.

### **Other Income (Charges)**

Other charges-net in 2020 amounted to Php13.35 million and Php26.03 million other income-net in 2019. The decrease is due to the reduction of write off of payables during the year as compared to the previous year.

The write-offs include trade and other payables and lease payable.

### **Finance Costs**

Finance Costs for the years 2020 and 2019 are Php42.08 million and Php 58.05 million, respectively.

### **Net Income**

Net income for fiscal year 2020 amounted to Php16.56 million of which Php36.83 million loss is attributable to equity holders of the parent while Php 53.39 million is attributable to non-controlling interest.

### **Financial Condition**

#### **Assets**

ANI Group's consolidated total assets as of December 31, 2020 amounted to Php4.37 billion, a decrease of .0.52% from Php 4.39 billion as at December 31, 2019. The following explain the significant movements in the asset accounts:

- The Group's cash balance decreased by Php16.09 million primarily due to decrease in collections despite payment of day-to-day operations of the Company and settlement of loans and other liabilities.
- Receivables decreased by Php61.09 million mainly due to the significant decrease in sales in mangoes and real estate income during the year.
- Advances to a stockholder has a significant increase from Php149.85 million in 2019 to Php 390.31 million in 2020. All advances will be collected and liquidated by the stockholder.
- Inventories decreased from a year end 2019 balance of Php 1.18 billion to Php1.08 billion in 2020 due to decrease in purchase.
- Property and equipment and intangible assets increased by Php91.61million due to reclassification of construction in progress.

#### **Liabilities**

Consolidated liabilities amounted to Php1.53 billion as of December 31, 2020.

Total current liabilities decreased to Php 1.40 billion in 2020 from Php 1.44 billion mainly due to various payments of loans and payables during the year.

Total non-current liabilities decreased to Php 133.24 million also due to payment of loans during the year.

#### **Equity**

Consolidated stockholders' equity as of December 31, 2020 amount to Php 2.83 billion mainly due to the additional collections of subscription receivables of common shares and improve in net operating performances of the subsidiaries especially in China.

#### **Liquidity and Capital Resources**

Net cash flows provided by operating activities for the year 2020 was Php40.47 million.

Net cash flow used in investing activities is Php150.39 million mainly due to advances to its related parties and stockholder.

Net cash flows provided by financing activities is Php89.80 million, which is mainly due to loan availments during the year.

### **Year ended December 31, 2019 versus December 31, 2018**

#### **Results of Operations**

##### **Net Sales**

ANI Group sustained a consolidated sale of goods and services at Php4.54 billion for the year ended December 31, 2019 compared to Php 3.84 billion for same period in 2018. For the year ended December 31, 2019, Philippine operations contributed 47% while sales from foreign operations accounted for 53% of consolidated sales. Sale of goods and services by business segment follows:

- Export sales posted an increase of 204.30% year-on-year to Php 1.91 billion in 2019 from Php 628.15 million in 2018, primarily due to (i) increase and constant supply of bananas due to increase in suppliers (ii) increase in number of demands and customers especially in China market and (iii) stable selling price in the international markets.
- Domestic distribution sales posted a decrease of 2.51% to Php 144.61 million in 2019 from Php148.34 million in 2018 mainly due to the temporary halt of rice trading business pending approval of the Rice Liberalization Law. Other distribution channels such as wholesale of fresh fruits and vegetables to leading supermarkets and sale of fruit purees registered an increase in revenue during the year due to improvement in operations.
- Retail and franchising sales registered a decline of 15% to Php 75.19 million in 2019 from Php 88.46 million in 2018, primarily due to rationalization of backroom and store operations. This was also affected by the closing of some sub performing outlets.
- Combined Foreign trading operations posted a decrease of 19% to Php 2.40 billion in 2019 from Php2.97 billion in 2018, mainly because of the decrease in sales in Hong Kong stores brought about by the series of rallies held during the year which affected the sales significantly.

Cost of sales consists of:

- Cost of purchasing fruits and vegetables and raw materials from growers and other traders and suppliers including freight in charges;
- Cost of real estate includes development cost for all properties to be sold, including shops, office buildings and hotels located in China.
- Personnel expenses, which include salary and wages, employee benefits and retirement costs for employees involved in the production process;
- Repairs/maintenance costs, depreciation costs relating to production equipment, vehicles, facilities and buildings;
- Fuel and oil costs relating to the production and distribution process;

For the year ended December 31, 2019, ANI Group's cost of sales and services amounted to Php 3.71 billion up by 19% from Php 3.12 billion for the year 2018 mainly due to higher amount of purchases of raw materials such as fruits and vegetables, construction supplies, freight and handling cost, salaries and wages which is in line with the increase in sales during the period.

### **Gross Profit**

Consolidated gross profit up by Php 108.92 million or 15% for the year ended December 31, 2019. The gross profit up by from Php 711.77 million in 2018 to Php820.69 million in 2019. Gross profit increases in export, distribution and foreign trading in 2019.

### **Operating Expenses**

The Company's operating expenses consist of selling expenses and administrative expenses which include the following major items:

- Taxes and licenses
- Salaries, wages and other employee benefits
- Advertising
- Rentals
- Depreciation and amortization
- Freight and handling
- Communication, light and water

Consolidated operating expenses for the 2019 amounted to Php 692.40 million up from Php 584.80 million in 2018 mainly due to the increase in manpower cost for regular employees and contracted services, various impairments and write off, depreciation and amortization, communication, light and water, and transportation and travel during the year.

### **Other Income (Charges)**

Other income in 2019 amounted to Php26.03 million in 2019 and Php36.07 million in 2018. The decrease is due to the reduction of write off of payables during the year as compared to the previous year.

The write-offs include trade and other payables and lease payable.

### **Finance Costs**

Finance Costs for the years 2019 and 2018 are Php58.05 million and Php 51.88 million, respectively.

### **Net Income**

Net income for fiscal year 2019 amounted to Php84.74 million of which Php8.65 million is attributable to equity holders of the parent while Php 76.09 million is attributable to non-controlling interest.

### **Financial Condition**

#### **Assets**

ANI Group's consolidated total assets as of December 31, 2019 amounted to Php 4.39 billion, a decrease of 11.09% from Php 4.93 billion as at December 31, 2018. The following explain the significant movements in the asset accounts:

- The Group's cash balance increased by Php12.68 million primarily due to increase in collections despite payment of day-to-day operations of the Company and settlement of loans and other liabilities.
- Receivables increased by Php97.79 million mainly due to the significant increase in sales in banana and real estate income during the year.
- Advances to a stockholder has a significant decrease from Php453.98 million in 2018 to Php 149.85 million in 2019 due collections and liquidation of advances during the year. In 2020, all advances will be collected and liquidated by the stockholder.
- Inventories increased from a year end 2018 balance of Php 946.05 million to Php1.18 billion in 2019 due to increase in price of per unit of residential and commercial for sale at the same time increase in purchases for merchandising, furniture and appliances.
- Property and equipment and intangible assets decreased by Php229.40 million due to the disposal that happened during the year and recognition of depreciation and amortization.

#### **Liabilities**

Consolidated liabilities amounted to Php1.62 billion as of December 31, 2019.

Total current liabilities decreased to Php 1.44 billion in 2019 from Php 1.88 billion mainly due to various payments of loans and payables during the year.

Total non-current liabilities decreased to Php 173.56 million also due to payment of loans during the year.

#### **Equity**

Consolidated stockholders' equity as of December 31, 2019 amount to Php 2.77 billion mainly due to the additional collections of subscription receivables of common shares and improve in net operating performances of the subsidiaries especially in China.



**Liquidity and Capital Resources**

Net cash flows used in operating activities for the year 2019 was Php213.23 million.

Net cash flow provided by investing activities is Php694.56 million mainly in relation to the collections and liquidation of advances from its related parties and stockholder.

Net cash flows used in financing activities is Php468.63 million, which is mainly due to the payments of loans during the year.

**KEY PERFORMANCE INDICATORS**

Following below are the major performance measures that the Company uses. The Company employs analyses using comparisons and measurements based on the financial data for current periods against the same period of the previous year.

FINANCIAL KEY PERFORMANCE INDICATOR	DEFINITION	FOR THE PERIOD ENDED	
		DECEMBER 2022	DECEMBER 2021
Current/Liquidity:			
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	1.76	1.69
Quick ratio	$\frac{\text{Current Assets} - \text{Inventory} - \text{Prepayments}}{\text{Current Liabilities}}$	0.80	0.80
Solvency ratio/Debt-to-equity ratio	$\frac{\text{Total Liabilities}}{\text{Stockholders Equity}}$	0.39	0.43
Asset to equity ratio	$\frac{\text{Total Assets}}{\text{Total Equity}}$	1.39	1.43
Interest rate coverage ratio	$\frac{\text{Income Before Tax}}{\text{Finance Cost}}$	0.19	24.01
Profitability Ratio:			
Return on assets	$\frac{\text{Net Income}}{\text{Average Total Asset}}$	0.004	0.18
Return on equity	$\frac{\text{Net Income}}{\text{Average Total Equity}}$	0.001	0.26

**Item 7. Financial Statements**

A copy of the Company’s Audited Financial Statements for the year ended 31 December 2022 is attached hereto as **Annex “A”**.

**Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

R.S. Bernaldo and Associates had been appointed as external auditor for years 2021 and 2022 with Rean G. Abalos as Partner in Charge.

Apart from the audit no other services such as assurance or related services, tax accounting, compliance, advice, planning, or other kinds of services were rendered and no other fees were billed by the Company’s auditors as of the said years.

There has not been any disagreement between the Company and its independent accountant/external auditor for 2021, with regard to any matter relating to accounting principles or practices, financial statement disclosures or auditing scope or procedure.

**PART III - CONTROL AND COMPENSATION INFORMATION**

**Item 9. Directors and Executive Officers of the Issuer**

*1. Directors and Principal Officers of the Company:*

**i. (a) Directors and Principal Officers of the Company**

The following are the incumbent members of the Board of Directors who are also nominated herein:

The Directors of the Company as of 31 March 2023 are as follows:

<b>Name</b>	<b>Age</b>	<b>Citizenship</b>	<b>Term of Office</b>
Antonio L. Tiu	47	Filipino	2004 – present
Chung Ming Yang	49	Chinese ROC	1997 – present
Kenneth S. Tan	50	Filipino	2015 – present
Senen L. Matoto	75	Filipino	2018 – present
Martin C. Subido	46	Filipino	2013 – present
Antonio Peter R. Galvez	63	Filipino	2014 – present
Luis Rey I. Velasco	66	Filipino	2018 – present
Jennifer T. Ching	47	Filipino	2021 – present
Jose S. Ejercito (Independent Director)	66	Filipino	2008 – present
Jose Antonio S. Vilar (Independent Director)	62	Filipino	2017 – present
Maximillian Chua (Independent Director)	40	Filipino	2017 – present

**ANTONIO L. TIU, 47, Filipino, Director, Chairman.**

Mr. Tiu is the President/CEO and Chairman of Earthright Holdings, Inc., Chairman of The Big Chill, Inc., and President/CEO of Beidahuang Philippines, Inc. and Greenery Holdings Incorporated. He was a part time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and currently board of adviser of DLSU School of Management. Mr. Tiu has a Master’s degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Business Management from De La Salle University, Manila. He is currently a Doctorate student in Public Administration at the University of the Philippines. He was awarded the Ernst and Young Emerging Entrepreneur of the Year (2009), Overseas Chinese Entrepreneur of the Year 2010 and Ten Outstanding Young Men of the Philippines 2011. He is an active member of Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries.

**YANG, CHUNG MING, 49, Chinese R.O.C., Director.**

Mr. Yang is the General Manager of Grateful Strategic Marketing Consultants Co., Ltd, and Tong Shen Enterprises, which are both Taiwan based firms. He has a degree in B.S. Computer Science from Chiang Kai Shek College, Philippines and has a Master’s degree in Business Administration from the National Chengchi University in Taiwan. He is currently taking the Executive MBA program at the Xiamen University.

**KENNETH S. TAN, 50, Filipino, Director.**

Mr. Kenneth S. Tan concurrently serves as the Chief Financial Officer of Greenery Holdings Incorporated and has been its Treasurer since June 2013. Previously, Mr. Tan served as Alternate Corporate Information and Compliance Officer at Greenery Holdings Incorporated since December 23, 2010. Mr. Tan served as the Vice President for Admin/Chief Information Officer and Compliance Officer of AgriNurture Inc. until 2013.

He served as an Officer of Citibank and Manulife Financial and was a Part-Time Lecturer in Economics at an international school in Manila.

***SENEN L. MATOTO, 75, Filipino, Director.***

Mr. Senen Matoto served from 2007-2017 as President and Director of Vicsal Investment and Investment, AB Capital and Investment Corporation, VSec. Com. Inc. He is also an independent director of Yantua Savings Bank. He obtained his Masters in Business Administration from the Asian Institute of Management and his Bachelor of Science in Business Administration from the University of the Philippines.

***ATTY. MARTIN C. SUBIDO, 46, Filipino, Director.***

Atty. Martin Subido is a Certified Public Accountant and a member of the Integrated Bar of the Philippines. He graduated with a B.S. Accountancy degree from De La Salle University and obtained his Juris Doctor degree, with honors, from the School of Law of Ateneo de Manila University. He was a Senior Associate of the Villaraza & Angangco Law Offices before becoming managing partner of The Law Firm of Subido Pagente Certeza Mendoza & Binay.

***ANTONIO PETER R. GALVEZ, 63, Filipino, Director***

Mr. Galvez is a holder of an Executive Master's in Business Administration from the Asian Institute of Management. He graduated from the Ateneo de Manila University with a Bachelor's Degree in Economics. At present, he is an Executive and Leadership Coach, Business Coach with the University of Asia and Pacific. He is also a licensed facilitator of Get Clients Now, licensed instructor of GRID International and Director of Pastra.Net. His previous employments include various stints with the Securities Transfer Services, Inc., First Philippine Holdings Corporation and its subsidiaries, Department of Trade and Industry and the Board of Investments.

***LUIS REY I. VELASCO, 66, Filipino, Director***

Mr. Luis Rey I. Velasco, PhD, is a Doctorate Degree Holder in Entomology from University of Queensland, Brisbane, Australia. He is currently a professor in Agriculture Entomology at University of the Philippines in Los Banos.

***JENNIFER T. CHING, 47, Filipino, Director***

Ms. Ching holds a Bachelor of Science Major in Business Administration degree from the University of Santo Tomas. She previously worked for ANI as Finance Manager from September 2009 to Jan. 2012. She then joined the Department of Agriculture under the Office of the Assistant Secretary for Agribusiness & Marketing from February 2012 to February 2020 before rejoining ANI in March 2020. At present her position is an Overall Head of Admin and Human Resource Department

***JOSE S. EJERCITO, 66, Filipino, Independent Director***

Mr. Jose S. Ejercito took his Bachelor of Science in Industrial Engineering at the University of the Philippines and occupied various positions in Unilever Phils., also posting as Unilever's National Sales Operations Controller in China and as Managing Director in Korea before he retired. Thereafter, he joined the SM Retail team and became President of Scanasia Overseas Inc., the distribution company of 2Go Group, SM's logistics and distribution arm, until he retired in 2021.

***ATTY. MAXIMILIAN CHUA, 40, Filipino, Independent Director***

Atty. Maximilian Chua graduated from the Ateneo de Manila University with a degree in Bachelor of Science in Management Information System and obtained his Bachelor of Laws degree from San Beda College of Law Mendiola. He was a senior associate of Co Ferrer & Ang-Co Law Offices from 2009 to July 14. At present, he is a consultant at the Belo Gozon Parel Asuncion & Lucila Law Offices.

***JOSE ANTONIO S. VILAR, 62, Filipino, Independent Director***

Mr. J. Antonio S. Vilar obtained his bachelor's degree in Business Administration from Wharton School of the University of Pennsylvania in 1983. He was Head of the Philippine Stock Exchange, Inc.'s Market Education Department from 2013 until 2020. In between, he served as Director and CEO in various Philippine corporations, notably venture companies. He assisted government agencies as organizer or

resource speaker in various international investment roadshows. He is presently an Independent Director of an unrelated company.

The Principal Officers of the Company as of 31 March 2022 are as follows:

**ANTONIO L. TIU, 47, Filipino, Director, Chairman.**

Mr. Tiu is the President/CEO and Chairman of Earthright Holdings, Inc., Chairman of The Big Chill, Inc., and President/CEO of Beidahuang Philippines, Inc. and Greenergy Holdings Incorporated. He was a part time lecturer in International Finance at DLSU Graduate School from 1999 to 2001 and currently board of adviser of DLSU School of Management. Mr. Tiu has a Master's degree in Commerce specializing in International Finance from University of New South Wales, Sydney Australia and BS Commerce major in Business Management from De La Salle University, Manila. He is currently a Doctorate student in Public Administration at the University of the Philippines. He was awarded the Ernst and Young Emerging Entrepreneur of the Year (2009), Overseas Chinese Entrepreneur of the Year 2010 and Ten Outstanding Young Men of the Philippines 2011. He is an active member of Integrated Food Manufacturer Association of the Philippines, PHILEXPORT, PHILFOODEX, Chinese Filipino Business Club, and Philippine Chamber of Agriculture and Food Industries.

**KENNETH S. TAN, 50, Filipino, Chief Financial Officer and Treasurer.**

Mr. Kenneth S. Tan serves as the Chief Financial Officer of Greenergy Holdings Incorporated and has been its Treasurer since June 2013. Previously, Mr. Tan served as Alternate Corporate Information and Compliance Officer at Greenergy Holdings Incorporated since December 23, 2010. Mr. Tan served as the Vice President for Admin/Chief Information Officer and Compliance Officer of AgriNurture Inc. until 2013. He served as an Officer of Citibank and Manulife Financial and was a Part-Time Lecturer in Economics at an international school in Manila.

**JENNIFER T. CHING, 47, Filipino, Director, Assistant Treasurer**

Ms. Ching holds a Bachelor of Science Major in Business Administration degree from the University of Santo Tomas. She previously worked for ANI as Finance Manager from September 2009 to Jan. 2012. She then joined the Department of Agriculture under the Office of the Assistant Secretary for Agribusiness & Marketing from February 2012 to February 2020 before rejoining ANI in March 2020. At present her position is an Overall Head of Admin and Human Resource Department

**ATTY. PAUL KENNETH B. DAVIS, 67, Filipino, Corporate Secretary**

Took his A.B. and LL.B. at the University of the Philippines. He has been in law practice for forty years as litigator, consultant for Build-Operate-Transfer projects (toll road, water and energy), in-house counsel as well as corporate secretary and director of private and government-owned/acquired corporations. He was with the UP Law Center committee that formulated and launched its Paralegal Training Program, where he likewise served as lecturer and mentor. He likewise served as consultant on government procurement in UP Los Baños.

**ROSANA C. PLANCO, 49, Filipino, Compliance Officer**

Ms. Rosana C. Planco holds a Bachelor of Science major in Accountancy degree from the University of the East in Manila and a Master's degree in Business Administration from the Pamantasan ng Lungsod ng Maynila. She previously worked for two (2) of ANI's subsidiaries, TBC and Fruitlicious, as an Accounting Officer and Operations Auditor from February 2012 to May 2016. She then transferred to Banapple J3 Corp, acting as the Finance and Accounting Manager, from July 2016 to February 2019 before rejoining ANI in 2021.

**JHANE A. TEOXON, 44, Filipino, Corporate Information Officer**

Ms. Jhane A. Teoxon is a Certified Public Accountant and holds a Bachelor of Science in Accountancy degree from Manila Central University. She previously worked for ANI as the Accounting Manager and then as Financial Controller from 2010 to 2014. She then transferred to Alphaland Development Inc. as Senior Finance Manager from 2015 to 2016 and to Makati Supermarket Corporation as the Resident Controller from 2016 to 2020 before rejoining ANI in 2021.

2. Significant Employees

No single person is expected to make a significant contribution to the business since the Company considers the collective efforts of all its employees as instrumental to the overall success of the Company's performance.

3. Family Relationships

There are no officers nor directors that are related by consanguinity or affinity.

4. Involvement in Certain Legal Proceedings

None of the following events have occurred during the past five (5) years preceding the filing of this Annual Report that are material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the Company:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer, either at the time of the bankruptcy or within two (2) years prior to that time;  
  
any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

5. Certain Relationships and Related Transactions

The Company's policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

See Note 20 (Related Party Transactions) of the Notes to the 2021 Audited Financial Statements.

Item 10. Compensation of Directors and Executive Officers

The following summarizes the executive compensation received by the CEO and the top four (4) most highly compensated officers of the Company for 2020, 2021 and 2022. It also summarizes the aggregate compensation received by all the officers and directors, unnamed.

Amounts in '000	Year	Salaries	Bonuses	Other Income
CEO and the four (4) most highly compensated officers	2020	Php 3,842	-	NONE
	2021	Php 6,905	-	NONE
	2022	Php 6,865	-	NONE
Aggregate compensation paid to all other officers and directors as a group unnamed	2020	Php 5,176	-	NONE
	2021	Php 6,714	-	NONE
	2022	Php 6,489	-	NONE

Under Section 8, Article III of the By-Laws of the Company, by resolution of the Board, each director shall receive a reasonable *per diem* allowance for their attendance at each meeting of the Board. Also provided therein is the compensation of directors, which shall not be more than 10% of the net income before income tax of the Company during the preceding year, which shall be determined and apportioned among the directors in such manner as the Board may deem proper, subject to the approval of the stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting. To date, the directors are given a per diem allowance of Five Thousand Pesos (Php 5,000.00) for their attendance at each meeting of the Board.

COMPENSATION PLANS

The Board approved a Stock Ownership Plan (the “Plan”) during its meeting on 17 December 2014. The following are the salient provisions of the Plan, among others:

- a. All REGULAR employees of ANI and its subsidiaries are eligible under the Plan.
- b. The Plan shall be effective for a period of ten (10) years to commence upon ratification of the Stockholders’ of the terms and conditions and upon approval of concerned governmental regulatory bodies, However, the grant of stocks shall be “purely gratuitous” such that ANI’s Compensation and Remuneration Committee (hereinafter referred to as the “Committee”) has the sole discretion whether to grant stocks for the year based on the financial performance of ANI during the preceding year.
- c. ANI will grant common shares in favor of all regular employees equivalent to an employee’s one (1) month salary, which will be evidenced by an Award Agreement. The Award Agreement shall contain the terms and conditions of the Plan which must be complied with by the employee during the vesting period, otherwise the employee forfeits his/her rights over the shares of stock.
- d. There will be a 3-year vesting period during which the employee is not yet considered as the owner of the shares, and his/her rights over the shares are restricted, including the right to dispose of the shares, receive dividends and/or vote as a shareholder.
- e. Upon the lapse of the vesting period, the Committee shall instruct the Corporate Secretary to issue the Stock Certificates to the employees who have complied with the terms as stated in the Award Agreement. An employee forfeits his/her shares when the said employee resigns or is found guilty of an offense defined as less grave or grave offense as per ANI Employee Handbook.

Item 11. Security Ownership of Certain Record and Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners

As of 31 March 2023, the following are the record owners and beneficial owners of more than five percent (5%) of the Company’s total issued common shares of 1,024,446,888 based on the stock and transfer book of the Company:

Title Of Class	Name, Address Of Record Owner And Relationship With Issuer	Name Of Beneficial Owner And Relationship With Record Owner	Citizenship	No. Of Shares Held	Percentage
Common	<b>PCD Nominee Corp. (Filipino)</b>  G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City  Stockholder	PCD Nominee Corp. is the record owner	Filipino	272,694,863	37.1265%

Common	<b>PCD Nominee Corp. (Foreign)</b> G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City  Stockholder	PCD Nominee Corp. is the record owner	Foreign	301,614,199	18.9310%
Common	<b>Earthright Holdings, Inc.</b> Unit 3C, Valuepoint Executive Building, 227 Salcedo St. Legazpi Village, Makati City  Stockholder	Earthright Holdings, Inc. is the record owner	Filipino	250,000,000	24.4034%
Common	<b>Greenergy Holdings Inc.</b> 54 National Road, Dampol II-A, Pulilan, Bulacan  Stockholder	Greenergy Holdings Inc. is the record owner	Filipino	116,296,246	11.3521%

As of 31 March 2022, the following are the beneficial owners of more than five percent (5%) of the outstanding capital stock under the PCD Nominee Corp:

Common	<b>Earthright Holdings, Inc.<sup>5</sup></b> Unit 3C, Valuepoint Executive Building, 227 Salcedo St. Legazpi Village, Makati City  Stockholder	PCD Nominee Corp. (Filipino) is the record owner  [for Earthright Holdings, Inc.]	Filipino	250,000,000	24.40%
Common	<b>PCD Nominee Corp. (Foreign)<sup>6</sup></b> G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City  Stockholder	PCD Nominee Corp. (Foreign) is the record owner  [for Vikings Asia Agriventures BV]	Dutch	100,904,188	9.84%

<sup>5</sup> The shares held by Earthright Holdings, Inc. in the Company shall be voted or disposed by the person who shall be duly authorized by the record owner (Earthright) for the purpose. The natural person that has the power to vote on the shares of Earthright shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

<sup>6</sup>PCD Nominee Corporation is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCD Nominee Corporation are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in the Company are to be voted.

The natural person that has the power to vote on the shares of Vikings Asia Agriventures BV shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

Common	PCD Nominee Corp. (Foreign) <sup>7</sup> G/F Makati Stock Exchange Bldg., 6767 Ayala Avenue, Makati City  Stockholder	PCD Nominee Corp. (Foreign) is the record owner  [for Alcione Family Office Services Co., Ltd.].	Japanese	53,097,796	5.2%
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2. Security Ownership of Management

As of 31 March 2023, the following are the security ownership of the directors and principal officers of the Company:

Title Of Class	Name Of Beneficial Owner; Relationship With Issuer	Amount And Nature Of Beneficial Ownership (Direct & Indirect)	Citizenship	Percentage
Common	<b>Antonio L. Tiu</b> Chairman, CEO and President	36,984,088 (Direct)	Filipino	6.37%
		543,369,544 <sup>8</sup> (Indirect)		50.28%
Common	<b>Chung Ming Yang</b> Director	1,567,400 (Direct)	Chinese ROC	0.15%
Common	<b>Kenneth S. Tan</b> Director, Chief Financial Officer and Treasurer	1,000 (Direct)	Filipino	Less than 0.01%
Common	<b>Senen L. Matoto</b> Director,	1 (Direct)	Filipino	Less than 0.01%
Common	<b>Martin C. Subido</b> Director	342,202 (Indirect)	Filipino	0.03%
Common	<b>Antonio Peter R. Galvez</b> Director	1 (Direct)	Filipino	Less than 0.01%
Common	<b>Luis Rey I. Velasco</b> Director	1 (Direct)	Filipino	Less than 0.01%
Common	<b>Jennifer T. Ching</b> Director	1 (Indirect)	Filipino	Less than 0.01%
Common	<b>Jose S. Ejercito</b> Independent Director	1 (Direct)	Filipino	Less than 0.01%
Common	<b>Jose Antonio S. Vilar</b> Independent Director	1 (Direct)	Filipino	Less than 0.01%

<sup>7</sup>PCD Nominee Corporation is a wholly-owned subsidiary of Philippine Central Depository, Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCD Nominee Corporation are PCD's participants who hold the shares in their own behalf or in behalf of their clients. The PCD is prohibited from voting these shares; instead the participants have the power to decide how the PCD shares in the Company are to be voted.

The natural person that has the power to vote on the shares of Vikings Asia Agriventures BV shall be determined upon the submission of its proxy to the Company, which, under the by-laws of the Company, must be submitted before the time set for the meeting.

<sup>8</sup> Mr. Antonio L. Tiu indirectly holds 543,369,541 shares thru Earthright, Holdings, Inc.; 311,469,850 thru Greenery Holdings, Inc.; 29,612,912 thru PCD Nominee



Common	<b>Maximillian Chua</b> Independent Director	1 (Direct)	Filipino	Less than 0.01%
Common	<b>Paul Kenneth B. Davis</b> Corporate Secretary	0	Filipino	0
Common	<b>Rosana C. Planco</b> Compliance Officer	0	Filipino	0
Common	<b>Jhane A. Teoxon</b> Corporate Information Officer	0	Filipino	0

The total security ownership of the directors and principal officers of the Company as a group as of 31<sup>st</sup> of March 2023 is 582,264,238 common shares which is equivalent to 56.84% of the outstanding capital stock of the Company.

3. *Voting Trust Holders of 5% or More*

There are no persons holding 5% or more of a class under a voting trust or similar arrangement.

4. *Changes in Control*

The Company is not aware of any change in control or any arrangement that may result in a change in control of the Company.

5. *Level of Public Float*

As of 31 December 2022 there are 1,024,446,888 issued and outstanding shares.

As of 31 December 2022, the public ownership percentage of the Company is 41.75%. The required minimum public ownership percentage is 10%.

As of 31 December 2022, the number of foreign-owned shares is 204,026,934. The foreign ownership level is 29.09%. The foreign-ownership limit of the Company is 40%.

**Item 12. Certain Relationships and Related Transactions**

The Company’s policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

See Note 21 (Related Party Transactions) of the Notes to the 2022 Audited Financial Statements..

**PART IV – CORPORATE GOVERNANCE**

**Item 13. Corporate Governance**

To measure or determine the level of compliance of the Board of Directors and top-level management with its Manual on Corporate Governance (the “Manual”), the Company shall establish an evaluation system composed of the following:

- Self-assessment system to be done by Management;
- Yearly certification of the Compliance Officer on the extent of the Company’s compliance to the Manual;
- Regular committee report to the Board of Directors; and
- Independent audit mechanism wherein an audit committee, composed of three (3) members of the Board, regularly meets to discuss and evaluate the financial statements before submission to the

Board, reviews results of internal and external audits to ensure compliance with accounting standards, tax, legal and other regulatory requirements.

To ensure compliance with the adopted practices and principles on good corporate governance, the Company has designated a Compliance Officer. The Compliance Officer shall: (i) monitor compliance with the provisions and requirements of the Manual; (ii) perform evaluation to examine the Company's level of compliance; and (iii) determine violations of the Manual and recommend penalties for violations thereof for further review and approval by the Board of Directors.

Aside from this, the Company has an established plan of compliance which forms part of the Manual. The plan enumerates the following means to ensure full compliance:

- Establishing the specific duties, responsibilities and functions of the Board of Directors;
- Constituting committees by the Board and identifying each committee's functions;
- Establishing the role of the Corporate Secretary;
- Establishing the role of the external and internal auditors; and
- Instituting penalties in case of violation of any of the provisions of the Manual.

The Company will be submitting its Integrated Annual Corporate Governance Report (I-ACGR) pursuant to SEC Memorandum Circular No. 15, series of 2017, and PSE Circular No. 2017-0079 on or before 30 May 2022. The IACGR will supplement this portion of the Annual Report. –

## **PART V - EXHIBITS AND SCHEDULES**

### **Item 14. Exhibits and Reports on SEC Form 17-C**

#### **a. SEC Form 17-C dated 24 May 2021**

##### **Item 9. Other Items**

In the meeting of the Board of Directors of AgriNurture, Inc. (the "Company") held today, the following matters were approved, confirmed and/or ratified:

1. Approval of the impairment by the Management of the Corporation's trade receivables amounting to P1,714,366.50 from various customers, as well as nontrade receivables amounting to P32,316,856.99 from Tolman Manufacturing, Inc. for the year ended 31 December 2020;
2. Authority to release the Audited Financial Statements of the Corporation as of and for the year ended 31 December 2020;
3. Approval of the issuance and listing of up to 6,172,800 primary shares of the Corporation in favor of Plentex Philippines, Inc., subject to the terms and conditions as may be determined by the Board of Directors; and
4. Approval of the listing of 2 primary shares, or 1 share each, in favor of the Corporation's Directors, Senen L. Matoto and Luis Rey I. Velasco, subject to the terms and conditions as may be determined by the Board of Directors.

#### **b. SEC Form 17-C dated 24 June 2021**

##### **Item 9. Other Items**

In the meeting of the Board of Directors of AgriNurture, Inc. (the "Company") held today, the following matters were approved, confirmed and/or ratified:

Postponement of the Annual Stockholders' Meeting from 30 July 2021 to 5 November 2021, with a record date of 8 October 2021. The postponement is to enable the Company to prepare for additional matters and materials in view of the pandemic-related safety protocols.

**c. SEC Form 17-C dated 19 August 2021**

**Item 9.**

In the meeting of the Board of Directors of AgriNurture, Inc. (the “Company”) held today, the following matters were approved, confirmed and/or ratified:

Confirmation of the authority to conduct a Stock Rights Offering of common shares to all eligible shareholders of the Company (“Rights Issue”) at offer price of P1.00 per share. An existing shareholder owning 2.5 shares shall be entitled to 1 Stock Rights Share. The number of shares to be offered shall be 288,000,027.

**d. SEC Form 17-C dated 7 September 2021**

**Item 9.**

In the meeting of the Board of Directors of AgriNurture, Inc. (the “Company”) held today, the following matters were approved, confirmed and/or ratified:

1. Approval of the authority of the President or Chief Financial Officer to fix the terms and conditions of the Stock Rights Offer under such terms and conditions that are beneficial to the Corporation, and to negotiate and execute any documents, agreements or applications in connection with the Rights Offer and regulatory approvals required to be filed and obtained with pertinent regulatory bodies.
2. Approval of the authority to incorporate a wholly owned foreign subsidiary of the Company for the issuance of long-term green bonds of up to 75 Million Euros. The final terms and conditions of the green bond issuance shall be recommended by Management for the approval of the Board.

**e. SEC Form 17-C dated 5 November 2021**

**Item 9. Other Items**

The following, among others, have been approved, ratified and confirmed by the Shareholders:

1. Minutes of the Annual Meeting of the Shareholders held last 9 September 2020;
2. Ratification of all acts and resolutions of the Board of Directors and Management adopted during the preceding year;
3. Annual Report and Financial Statements for the year ended 31 December 2020;
4. Delegation of the appointment of External Auditor for the fiscal year 2021 to the Audit Committee;
5. Approval of the authority to issue long term green bonds of up to Seventy Five (75) Million Euros with maturity of up to seven (7) years, including the issuance of commercial papers;
6. Approval of the increase of the authorized capital stock of the Company from P2,000,000,000.00 to up to PhP 5,000,000,000.00;
7. Approval of the amendment/s to the terms and conditions of the issuance of warrants to existing shareholders to be bundled to the Company’s Stock Rights Offering  
From:  
Issuance to Existing Shareholders owning ten (10) common shares as of record date, shall be entitled to one (1) warrant. The ratio shall be one (1) warrant equivalent to one (1) underlying common share upon conversion. Record date, Expiry date and other relevant terms and conditions shall be determined by the Board. The warrants shall have the exercise price of a discounted rate of 5% of the volume weighted average price of trade thirty days (30) prior to date of expiration, to be exercised after five (5) years from date of issuance.

To:

Issuance to Shareholders participating in the Stock Rights Offering, with every shareholder availing of three (3) Stock Rights, shall be entitled to one (1) warrant. The ratio shall be one (1) warrant equivalent to one (1) underlying common share upon conversion. The warrants shall have the exercise price of a discounted rate of 5% of the volume weighted average price of trade fifteen (15) days prior to maturity, to be exercised after five (5) years from date of listing.

8. Approval of the Internal Rules of Procedure for the conduct of Board Meeting through videoconference;
9. Approval of the authority for the acquisition of additional shareholdings in Fucang Trading Limited from 51% to up to 70%;
10. Approval of the Stock Rights Offer of 288,000,027 common shares with a par value of PhP1.00 per share to eligible existing common shareholders at the ratio of one (1) rights share for every two and one-half (2.5) existing common shares at an offer price of PhP1.00 per rights share to be listed and traded on the Philippine Stock Exchange;
11. Approval of the authority to incorporate a wholly owned foreign subsidiary of the Company, AgriNuture Financial S.à r.l. in the Grand Duchy of Luxembourg, for the issuance of long term green bonds of up to 75 million Euros.

**f. SEC Form 17-C dated 5 November 2021**

**Item 9.**

In the meeting of the Board of Directors of AgriNuture, Inc. (the "Company") held today, the following matters were approved, confirmed and/or ratified:

1. Authority to register, participate, and appoint as company administrator/s or representative/s the Corporation's Chief Financial Officer, Mr. Kenneth S. Tan, and/or the President/CEO, Mr. Antonio L. Tiu, in Rice Exchange, a digital marketplace for international rice trading;
2. Confirmation of the Approval of the reclassification of the Company's Forty Million (40,000,000) unissued common shares with par value of One Peso (Php 1.00) per share or an aggregate par value of Forty Million Pesos (Php40,000,000.00) to 400,000,000 voting preferred shares with par value of Ten Centavos (Php 0.10) per share or an aggregate par value of Forty Million Pesos (Php 40,000,000.00), to be subscribed by Earthright Holdings, Inc.
3. Approval of Agrinuture Development Holdings, Inc.'s ("ADHI") subscription of nine hundred ninety nine (999) primary shares of Agrinuture HK Holdings, Ltd. (ANI HK) at par value of USD 1.00. ANI HK is a wholly owned subsidiary of the Company and ADHI is a wholly owned subsidiary of Greenergy Holdings, Inc. (GHI). GHI is an affiliate of the Company.
4. Ratification of the Corporate Representation as approved by the Board of Directors on 31 March 2014 with changes in the authorized signatories for Bank Related Transactions.

**g. SEC Form 17-C dated 18 March 2022**

**Item 9.**

In the meeting of the Board of Directors of AgriNuture, Inc. (the "Company"), the following matters were approved, confirmed and/or ratified, among others:

1. Resignation of Atty. Maricris Connie B. Pua (Atty. Pua) as Corporate Secretary of the Company for personal reasons effective immediately.
2. Appointment of Atty. Katrina L. Nepomuceno as Corporate Secretary of the Company effective immediately.

Atty. Katrina L. Nepomuceno has served as the Corporate Legal Counsel, Corporate Secretary and Compliance Officer of several companies including a company listed with the Philippine Stock Exchange. She is one of the few gaming law practitioners in the Southeast Asian region. Atty. Nepomuceno graduated with a Bachelor's Degree in Political Science from the University of Sto. Tomas in 1990. She obtained her Juris Doctor Degree from the Ateneo De Manila University in 1994.

**h. SEC Form 17-C dated 23 April 2022**

**Item 9.**

In the meeting of the Board of Directors of AgriNurture, Inc. (the "Company") held today, the following matters were approved, confirmed and/or ratified, among others:

1. Appointment of R.S. Bernaldo & Associates as the external auditor of the Corporation for the fiscal year 2021;
2. Postponement of the 2022 Annual Stockholders' Meeting of the Corporation from the 3rd Monday of May to 15 July 2022 and setting of the record date to 14 June 2022;
3. Appointment of Ms. Claries Frajenal as the new Data Protection Officer of the Corporation. Ms. Frajenal graduated from the University of Manila with a Bachelor's Degree in Business Administration Major in Marketing. She has been the Human Resource Manager of the Company since 2008.

**i. SEC Form 17-C dated 16 November 2022**

The Board has approved the decrease in the par value of the shares of Company from One Peso (Php 1.00) to Ten Centavos (Php 0.10). The Board has likewise approved the reclassification of Forty Million (40,000,000) unissued common shares with par value of One Peso (Php 1.00) per share or an aggregate par value of Forty Million Pesos (Php40,000,000.00) to 400,000,000 voting preferred shares with par value of Ten Centavos (Php 0.10) per share or an aggregate par value of Forty Million Pesos (Php 40,000,000.00).

The matters were presented for approval of the Shareholders during the Shareholders' meeting on 9 September 2020, however, the matter of approving the conduct of stock split by changing the par value was deferred by the shareholders, subject to approval on a later date, finding that the same is not yet necessary at this time. The reclassification of shares as discussed above was approved, thereby reclassifying Forty Million (40,000,000) unissued common shares with par value of One Peso (Php 1.00) per share or an aggregate par value of Forty Million Pesos (Php40,000,000.00) to 400,000,000 voting preferred shares with par value of Ten Centavos (Php 0.10) per share or an aggregate par value of Forty Million Pesos (Php 40,000,000.00). The shares to be reclassified shall come from the unissued portion of the total authorized capital stock of the Company.

With regards to the pending application with the SEC on the increase of the corporation's authorized capital from Php2 Billion up to Php5 Billion, there are no new developments on it.

**j. SEC Form 17-C dated 25 November 2022**

The results of the Annual Shareholders Meeting and Matters approved during the Annual Shareholders' Meeting on 25 November 2022:

**Items 4 (b)**

The following were appointed as the members of the Board of Directors of the Company during the Annual Meeting of Shareholders:

1. Antonio L. Tiu
2. Yang Chung Ming
3. Atty. Martin C. Subido
4. Kenneth S. Tan
5. Senen L. Matoto
6. Antonio Peter R. Galvez

7. Jennifer T. Ching
8. Luis Rey I. Velasco
9. Jose S.Ejercito (Independent Director)
10. Atty. Maximilian Chua (Independent Director)
11. Jose Antonio S. Vilar (Independent Director)

The following were appointed as officers of the Company at the Organizational Meeting of the Board of Directors:

NAME	POSITION
Antonio L. Tiu	Chairman of the Board
Antonio L. Tiu	Chief Executive Officer & President
Antonio Peter R. Galvez	Vice Chairman of the Board
Kenneth S. Tan	Chief Financial Officer &Treasurer
Jennifer T. Ching	Assistant Treasurer
Atty. Paul Kenneth B. Davis	Corporate Secretary
Jhane A. Teoxon	Corporate Information Officer
Rosana C. Planco	Compliance Officer

The following were appointed as members of the Committees at the Organizational Meeting of the Board of Directors:

Executive Committee	i. Antonio L. Tiu	-Chairman
	ii. Kenneth S. Tan	-Vice Chairman
	iii. Senen L. Matoto	-Member
	iv. Jennifer T. Ching	-Member
	v. Atty. Paul Kenneth B. Davis	-Member
Audit Committee	i. Jose Antonio S. Vilar	-Chairman
	ii. Kenneth S. Tan	-Member
	iii. Jennifer T. Ching	-Member
Nomination and Compensation Committee	i. Jose S. Ejercito	-Chairman
	ii. Luis Rey I. Velasco	-Member
	iii. Kenneth S. Tan	-Member
Corporate Governance & Management Committee	i. Atty. Maximilian Chua	-Chairman
	ii. Senen L. Matoto	-Member
	iii Antonio Peter R. Galvez	-Member

## SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Pasig on APR 28, 2023



**ANTONIO L. TIU**  
Chairman of the Board & President



**KENNETH S. TAN**  
Chief Financial Officer



**PAUL KENNETH B. DAVIS**  
Corporate Secretary




**JHANE A. TEOXON**  
Corporate Information Officer  
& Chief Accountant

**SUBSCRIBED AND SWORN** to before me this APR 28, 2023, affiants exhibiting to me their competent evidence of identity as follows:

NAME	ID	DATE ISSUED	PLACE ISSUED
Antonio L. Tiu	DL No. N04-93-265667	07 September 2017	Metro Manila
Kenneth S. Tan	DL No. N04-90-144-089	27 December 2016	Metro Manila
Paul Kenneth B. Davis	DL no. N11-74-015-565	20 April 2022	Metro Manila
Jhane A. Teoxon	UMID CRN-0033-3909191-0		

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Series of 2023.



**ATTY. ELISEO S. CALMA, JR.**  
Notary Public for Q.C. / Until Dec. 31, 2024  
Roll No. 50183  
PTR No. 4007173D (Jan. 03, 2023/Q.C.)  
IBP No. 257225, Jan. 01, 2023  
MCLE Comp. No. VII-0006924 (09/21/2021-04/14/2025)  
Adm. Matter No. NP-062 (2022-2023)  
20 Kamagong St., Sapamanai Vill. East Fairview Q.C.  
TIN: 138-541-197-000

**AGRINURTURE, INC.**  
**2022 SUSTAINABILITY REPORT**

**CONTEXTUAL INFORMATION**

Company Details	
Name of Organization	AgriNurture, Inc. ("ANI")
Location of Headquarters	54 National Road, Dampol II-A, Pulilan, Bulacan
Location of Operations	ANI and its subsidiaries conduct businesses in the Philippines particularly in Metro Manila and Bulacan, with foreign operations in Hong Kong and China
Report Boundaries: Legal entities (e.g., subsidiaries) included in this report*	<p>This report covers ANI and the following operating subsidiaries:</p> <ul style="list-style-type: none"> <li>a. M2000 IMEX Company, Inc.</li> <li>b. First Class Agriculture Corporation</li> <li>c. Fresh and Green Harvest Agricultural Corporation</li> <li>d. Lucky Fruit and Vegetable Products, Inc.</li> <li>e. Best Choice Harvest Agricultural Corporation</li> <li>f. Fresh &amp; Green Palawan Agriventures, Inc.</li> <li>g. Ocean Biochemistry Technology Research, Inc.</li> <li>h. Fruitilicious Company, Inc.</li> <li>i. Farmville Farming Co., Inc.</li> </ul> <p>The Company has the following direct and indirect subsidiaries under its Foreign Operations:</p> <ul style="list-style-type: none"> <li>a. AgriNurture HK Holdings, Ltd. (ANI HK)</li> <li>b. AgriNurture International Ltd (ANI IL)</li> <li>c. Joyful Fairy (Fruits) Ltd. (JFF)</li> <li>d. Zhongshan Fucang Trading Co., Ltd. (Fucang)</li> <li>e. Xuzhou Shengmei Real Estate Co., Ltd.</li> <li>f. Guangzhou Lexian Fruit Industry Co., Ltd.</li> </ul> <p>Data from ANI and the subsidiaries for the calendar year 2022 are consolidated where they are applicable and available. Data collection have been limited. Hence, the boundaries are further specified per disclosure.</p>
Business Model, Including Primary Activities, Brands, Products, and Services	ANI and its subsidiaries are engaged in the business of manufacturing, producing, growing, buying, selling, distributing, marketing, at wholesale or retail, insofar as may be permitted by law, all kinds of goods, commodities, wares and merchandise of every kind and description, including but not limited to food and agricultural products; to enter into all kinds of contracts for the export, import, purchase, acquisition, sale at wholesale or retail.
Reporting Period	1 January 2022 to 31 December 2022



Highest Ranking Person responsible for this report	Kenneth S. Tan Treasurer and CFO Investor Relations  Atty. Paul Kenneth B. Davis Corporate Secretary  Rosana C. Planco Compliance Officer
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## MATERIALITY PROCESS

Focus group discussions were conducted in order to initiate the materiality assessment in defining the scope and the discussions in the Sustainability Report.

The participants were composed of those capable of representing the companies as well as its stakeholders. The objective is to identify the salient aspects of ANI and its subsidiaries' (collectively, the "Group") operations that have the most impact to its economic, social, and environmental performances.

The participants identified the key areas that are materially relevant in order for the Group to achieve long-term sustainable operations.

The following are the material indicators, significantly influencing the actions and decisions of the stakeholders:

- a. energy consumption;
- b. waste management;
- c. Economic, Social, and Governance ("ESG") risk management;
- d. community relations/Impacts on local communities;
- e. plastic use management;
- f. greenhouse gas emission;
- g. habitat protection/biodiversity;
- h. labor conditions/employee welfare;
- i. employee health and safety;
- j. employee skills and competency;
- k. regulatory requirements/compliance;
- l. guest experience/satisfaction;
- m. food safety;
- n. agricultural growth/development;
- o. data privacy/customer privacy; and
- p. ESG strategy for suppliers.

The Group recognizes that the above indicators shall affect the stakeholders if effectively or poorly implemented.

The following are the actions prepared by management to address the risks and the foregoing material aspects, to wit:

- a. Continued discussion, identification and out of office exposure of identified individuals to possible risks;
- b. After identification, analysis of possible risks and preparation of courses of action;
- c. Training and continued education of management and personnel to be prepared to address the risks identified.
- d. Formulation of policies/rules and regulations, as may be needed.
- e. Continued monitoring of effective implementation of courses of action.

These voluntary selected goals will be subject for reassessment by top management in the year 2022.

## ECONOMIC

### Economic Performance

#### Direct economic value generated and distributed

Disclosure	Amount	Units
Direct economic value generated (revenue)	3,836,827,479	PhP
Direct economic value distributed:		PhP
a. Operating costs	3,427,486,093	PhP
b. Employee wages and benefits	94,669,017	PhP
c. Payment to suppliers and other operating costs	141,445,155	PhP
d. Dividends given to stockholders and interest payments to loan providers	0	PhP
e. Taxes given to government	130,684,059	PhP
f. Investments to community (e.g. donations, CSR)	500,000.00	PhP

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected	Management approach
There is a direct impact to the Group's sales and over-all operations. The Gross revenue is deducted with expenses distributed through payment to suppliers and service providers, salaries/wages and benefits, and taxes due to the government, among others.	Employees, Suppliers, and the Government	The Group's Management has adopted the following approach: a. set revenue targets on a month-to-month basis; b. evaluates cost centers and its attributes versus the sales generated; c. continuously identifies and quantify risks related to the policies and action plans; and d. regularly tracks results against targets and constantly improves projected results. e. Adopt cost efficient measures in manufacturing and production
What are the risk(s) identified?	Which stakeholders are affected?	Management approach
Changes in government policies, laws, rules and regulations and political climate, may affect the business operations as well as the extent and capability of the Group to acquire, maximize, and operate their assets.  The widespread of the COVID-19 virus that started in the 1 <sup>st</sup> quarter of 2021 is another risk that was identified as it affects the company's operations.	Customers, Employees, Suppliers, the Government and Stockholders	The Group ensures strict compliance with all government and institutional regulations, by monitoring protocols and updating submissions based on recent issuances, most specially the issuances and regulations of the IATF in connection with the COVID-19 Virus.
What are the opportunity (ies) identified?	Which stakeholders are affected?	Management approach
This presents an opportunity for the Group to identify areas of improvements in operations and avenues to increase the market base and sales.	Customers, Employees, Suppliers, the Government, and Shareholders	The Group is doing regular weekly management meeting to discuss operations that includes best practices to be shared with other member's workforce and problem areas to have a more comprehensive approach in its mitigation and total elimination.

### Climate-related risks and opportunities

<b>Governance</b>	
Disclose the organization's governance around climate-related risks and opportunities	
a. Describe the board's oversight of climate-related risks and opportunities	The Board of Directors of the Group currently do not have defined policy on its oversight function relative to climate-related risks and opportunities. However, the Management is in the process of finalizing the same for recommendation to the Board.
b. Describe the management's role in assessing and managing climate-related risks and opportunities	The management through its operating units during the weekly meetings are able to identify and assess the impact of climate-related risks and is in the process of finalizing policies and protocols to address this.
<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	
a. Describe the climate-related risks and opportunities that the organization has identified over its short, medium, and long terms	The Group's operation is somewhat dependent on the produce of the agriculture sector. Evidently, one of the mostly affected sector of the climate change related risk is the farming and plantation industry.
b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning	Storms, droughts and other natural calamities bolstered by the climate change affect the agricultural industry resulting to shortage in supply for local consumption and export. It entails increased costs and means evident loss of income opportunity.
c. Describe the resilience of the organization's strategy, taking into consideration, different climate-related scenarios including a 2 °C or lower scenario	The management does not maintain a supplier only from a specific area and has expanded its contract farming to various areas in the country to ensure supply viability. Other measures are being explored to address additional risks related to climate change.
<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 risks	The Group includes the discussion of climate change related risks during its weekly management meetings. The operating unit in the specific areas determine the risk they face depending on the situation (climate) in their area.
b. Describe the organization's processes for managing climate-related risks	Each operating unit is expected to submit actions taken or proposed actions to be taken on the following scheduled meeting to adapt to the timely changes.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	The Group assesses the effectivity and the sustainability of the actions taken and proposals and after evaluation of its success, the same is included in the policies or protocols.
<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	The Group currently has no defined metrics to assess climate-related risks and opportunities. The same is being assessed based on the mitigated if not eliminated adverse impacts.

b. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	The Group currently has no defined targets. However, target outputs as affected by the climate change related risks are currently being used in the assessment.
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## 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	95	%

\* Based on issued purchase orders from vendors/suppliers for the year

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected	Management approach
As the Group leans on the agricultural industry, sourcing almost all of its raw materials from local sources achieves the Group's goals of furthering the cause of local farmers, introducing the Philippine produce to the international market and provide healthy alternative to the community.	Suppliers/Service Providers that are mostly in the agricultural sector	The Group applies conventional business measures in monitoring and controlling procurement of supplies.
What are the Risk(s) identified?	Which stakeholders are affected?	Management approach
Poor quality of some supplies and services and delay in delivery	Suppliers/Service Providers	Close monitoring and control of procurement practices.
What are Opportunity (ies) identified?	Which stakeholders are affected?	Management approach
Identification of quality but cost efficient supplies.	Suppliers, Community, and the Shareholders	Close monitoring and control of procurement practices

## Anti-corruption

### Training on anti-corruption policies and procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-corruption on 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	60	%
Percentage of directors and management that have received anti-corruption training	100	%
Percentage of employees that have received anti-corruption training	90	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected	Management approach
Anti-corruption practices have direct impact to the Group's business operations, relationship in the workplace and supply chain. The Group takes initiative to prevent incidents of corruption by carefully	Employees, Suppliers, and Government	The Group is committed to ensure compliance with applicable laws, rules and regulations on anti-corruption and anti-bribery, among others; as well as adherence to

selecting its suppliers and ensuring that its employees conduct business on a sound, fair and prudent manner.  The Group regroups its employees in charge of procurement to ensure that familiarity will be avoided.		standards of conduct to prevent the offer or receipt of gifts or other advantages that may induce dishonest, improper or illegal conduct, or which may create an actual or potential conflict of interest.
What are the Risk(s) identified?	Which stakeholders are affected?	Management approach
Any incidence of corruption could pose a reputational risk to the Group.  Any form of corruption may likewise result to substandard supply.	Employees, Suppliers, Shareholders and Government	The Group does not condone any dishonest, unethical, or unprofessional behavior and actions displayed by an employee, officer or director, regardless of his/her level of authority.  The Group has an anti-corruption policy in place to ensure that it is the responsibility of each employee, officer and director to report legitimate concerns so that issues can be properly investigated or resolved and corrective measures can be instituted.
What are Opportunity (ies) identified?	Which stakeholders are affected?	Management approach
This presents an opportunity to evaluate the capabilities and moral soundness of the members of the organization and to assess the strength and weaknesses the Group's procurement process in order to be compliant with the relevant laws. Anti-corruption practices also boost the morale of employees.	Employees, Suppliers, and Government	The Group shall ensure strict adherence in its Anti-Corruption policy.

#### Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which the board of 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
Corruption could compromise the Group's business operations, relationship in the workplace, and reputation.	Employees, Suppliers, Stockholders, and Government	The Group shall ensure strict adherence in its Anti-Corruption policy.  The policy shall likewise be timely reviewed in compliance with existing laws, rules and

		regulations as well as current situations.
What are the Risk(s) identified?	Which stakeholders are affected?	Management approach
Any incidence of corruption could pose a reputational risk to the Group. This likewise results to substandard supplies.	Employees, Suppliers, Shareholders, and Government	<p>The Group does not condone any dishonest, unethical, or unprofessional behavior and actions displayed by an employee, officer or director, regardless of his/her level of authority.</p> <p>The Group has an anti-corruption policy in place to ensure that it is the responsibility of each employee, officer and director to report legitimate concerns so that issues can be properly investigated or resolved, corrective measures can be instituted, and administrative sanctions imposed.</p>
What are Opportunity (ies) identified?	Which stakeholders are affected?	Management approach
This presents an opportunity to evaluate the capabilities and moral soundness of the members of the organization and to assess the strength and weaknesses the Group's procurement process in order to be compliant with the relevant laws. Anti-corruption practices also boost the morale of employees.	Employees, Suppliers, Stockholders, and Government	The Group shall ensure strict adherence in its Anti-Corruption policy.

## ENVIRONMENT

### Resource Management

#### Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (renewable sources)	1181 per month	kWh
Energy consumption (gasoline)	575 per month	Liters
Energy consumption (LPG)	403 per month	kilograms
Energy consumption (diesel)	863 per month	Liters
Energy consumption (electricity)	23,122 per month	kWh

#### Reduction of energy consumption

Disclosure	Quantity	Units
Energy consumption (gasoline)	No sufficient data can be provided at present but the Group is working to gather the information for future reports.	GJ
Energy consumption (LPG)	4.9 per month	GJ
Energy consumption (diesel)	30.14	GJ
Energy consumption (electricity)	3,060 per year	kWh

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Group recognizes that the use of electricity and other fuels have an impact on the environment by emitting pollutants.	Employees, Shareholders and Suppliers	The Group will monitor its energy efficiency and will find ways to minimize and/or improve utilization of various energy sources.
<b>What are the Risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Group's dependence on fossil fuels makes it contributory to the environmental footprints.	Community, Shareholders and the Government	The Group will monitor its energy efficiency and will find ways to minimize and/or improve utilization of various energy sources.
<b>What are the Opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
This presents the Group an opportunity to devise less fossil fuel dependent means of operations and plan activities to help reduce the footprints	Community, Shareholders and the Government.	The Group shall come up with policies and protocols that are responsive to good environmental practices.

#### Water consumption within the organization

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Water withdrawal	8.29 per production/15 days	Cubic meters
Water consumption	8.29 per production/15 days	Cubic Meters
Water recycled and reused	2 per production/15 days	Cubic meters

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
Water consumption impacts the water supply of the community where the Group's operation is located.  The Group's operation impacts the water supply level of the community considering the magnitude of its consumption.	Employees, Shareholders and Supplier.	The Group will monitor its water consumption to ensure that conservation is in place and improve the recycling/reusing protocols.
<b>What are the Risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Group recognizes the risk of possible water shortage due to increased competing demand and drought brought about by the climate change.	Employees, Shareholders, and the Community.	The Group will monitor its water consumption to ensure that conservation is in place and improve the recycling/reusing protocols.

<b>What are the Opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
<p>The Group identified the following opportunities to manage water risks:</p> <ul style="list-style-type: none"> <li>• Proper protocols in water usage</li> <li>• Improve the protocols in water recycling or re using</li> </ul>	Employees, Shareholders, and the Community.	The Group will monitor its water consumption to ensure that conservation is in place and improve the recycling/reusing protocols.

#### Materials used by the organization

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Materials used by weight or volume	115,000 per month aluminum cans	Kilos
• Renewable	20,000 per month paper 29,000 liters water	Kilos
• Non-renewable	180 per month LPG 1000 per month fuel	kg/liters
Percentage of recycle input materials used to manufacture the organization's primary products and services	30	%

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
The Group uses a considerable amount of raw materials as it is engaged in manufacturing.	Community and the Government	The Group will monitor its material consumption to ensure that conservation is in place and improve the recycling/reusing protocols.
<b>What are the Risk/s identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There is a risk of scarcity of materials used in the long run.	Shareholders and Suppliers	The Group will monitor its material consumption to ensure that conservation is in place and improve the recycling/reusing protocols.
<b>What are the Opportunity/ies identified?</b>	<b>Which stakeholders are affected?</b>	<b>Management Approach</b>
There is an opportunity to incorporate the use of recycled materials within the Group.	Employees, Community and Shareholders	The Group will monitor its material consumption to ensure that conservation is in place and improve the recycling/reusing protocols.

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

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity outside protected areas	0	
Habitats protected or restored	0	Ha
IUCN <sup>1</sup> Red List species and national conservation list species with habitats in areas affected by operations	0	

<sup>1</sup> International Union for Conservation of Nature.



What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Not Applicable  (The Group does not own or lease any property that is located in or is near a protected area.)	Not Applicable  (The Group does not own or lease any property that is located in or is near a protected area.)	Not Applicable  (The Group does not own or lease any property that is located in or is near a protected area.)
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
Not Applicable  (The Group does not own or lease any property that is located in or is near a protected area.)	Not Applicable  (The Group does not own or lease any property that is located in or is near a protected area.)	Not Applicable  (The Group does not own or lease any property that is located in or is near a protected area.)
What are the Opportunity/ies identified?	Which stakeholders are affected?	Management Approach
Not Applicable  (The Group does not own or lease any property that is located in or is near a protected area.)	Not Applicable  (The Group does not own or lease any property that is located in or is near a protected area.)	Not Applicable  (The Group does not own or lease any property that is located in or is near a protected area.)

## Environmental impact management

### Air Emissions

#### GHG

Disclosure	Quantity	Units
Direct (Scope 1) GHG Emissions		Mg/Ncm
CO2 concentration	4.1 Mg/Ncm	
Oxygen Concentration	16.0 Mg/Ncm	
Energy indirect (Scope 2) GHG Emissions	Not applicable	Tonnes CO <sub>2</sub> e
Emissions of ozone-depleting substances 9ods0	Not applicable	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
The Group recognizes that the emissions caused by its manufacturing operation are pollutants leaves a considerable amount of environmental footprint.	Employees, Community and Shareholders	The Group will monitor its operation to ensure minimal impacts and review protocols as necessary.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
The footprints may be considered as contributory to environmental destruction and climate change.	Employees, Community and Shareholders	The Group will monitor its operation to ensure minimal impacts and review protocols as necessary.

What are the Opportunity/ies identified?	Which stakeholders are affected?	Management Approach
This presents the Group an opportunity to reevaluate its operational procedure to adapt more environment friendly modes.	Employees, Community and Shareholders and other emissions.	The Group will monitor its operation to ensure minimal impacts and review protocols as necessary.

#### Air pollutants

Disclosure	Quantity	Units
NOx	15.52	Mg/Ncm
SOx	79.37	Mg/Ncm
Persistent organic pollutants (POPs)	No sufficient data can be provided at present but the Group is working to gather the information for future reports.	Kg
Volatile organic compounds (VOCs)	No sufficient data can be provided at present but the Group is working to gather the information for future reports.	Kg
Hazardous air pollutants (HAPs)	132.77	Mg/Ncm
Particulate matter (PM)	22.63	Mg/Ncm

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 business operations of the Group have negligible contribution to air pollutants. However, it recognizes that air pollution can affect the health of its employees and the community it belongs to.	Community, Shareholders and Employees	The Group shall ensure compliance with existing environmental laws and it shall continue to monitor its operations to ensure adherence to protocols complies with the standards to minimize if not eradicate detrimental effects to health and the environment.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
The Group recognize that air pollution poses health risks to its employees and the community.	Employees and the Community	The Group shall ensure compliance with existing environmental laws and it shall continue to monitor its operation to ensure adherence to protocols complies with the standards to minimize if not eradicate detrimental effects to health and the environment.
What are the Opportunity/ies identified?	Which stakeholders are affected?	Management Approach
This presents the Group an opportunity to reevaluate its operational procedure to adapt more environment friendly modes.	Community, Customers and Shareholders	The Group complies with the standards mandated by the Clean Air Act. Vehicles and machineries used are regularly maintained and checked to ensure there are no leakages and potential air pollutants are reduced to levels not detrimental to health and the environment.

## Solid and Hazardous Wastes

### Solid Waste

Disclosure	Quantity	Units
Total solid waste generated		Kg
• Reusable	20 per day	Kg
• Recyclable	100 weekly	Kg
• Composted	20 per day	Kg
• Incinerated	Not Applicable	Kg
• Residuals/Landfilled	Not Applicable	Kg

### Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	50 every 6 months	Liters
Total weight of hazardous waste transported	No sufficient data can be provided at the present but the Group are working to gather the information for future reports.	Liters

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 Group's generated hazardous waste poses a great impact in the community and the environment if not properly handled.	Community, Shareholders, Government and Employees	The Group observes proper waste management in compliance with relevant laws, rules and regulations where they operate.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
The Group recognizes that improper handling of hazardous waste will adversely affect the community and the environment and will merit applicable sanctions from concerned government agencies.	Shareholders, Employees, Government and Community	The Group observes proper waste management in compliance with relevant laws, rules and regulations where they operate.  It will formally adopt policies on how to properly handle hazardous waste.
What are the Opportunity/ies identified?	Which stakeholders are affected?	Management Approach
This presents the Group an opportunity to reevaluate its operational procedure to adapt more environment friendly modes and to strengthen its proper waste disposal handling.	Community, Government and Shareholders	The Group shall continue to monitor and adapt applicable protocols to ensure compliance with existing laws.

#### Effluents

Disclosure	Quantity	Units
Total volume of water discharges	15,000	Cubic meters
Percent of wastewater recycled	50.33	%

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 Group recognizes that effluents can cause contamination not properly disposed.	Community and Shareholders	The Group will monitor its water consumption to ensure that conservation is in place and improve the recycling/reusing protocols.
What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
The Group recognizes that improper handling of waste water will adversely affect the community and the environment and will merit applicable sanctions from concerned government agencies.	Community	The Group will monitor its water consumption to ensure that conservation is in place and improve the recycling/reusing protocols.
What are the Opportunity/ies identified?	Which stakeholders are affected?	Management Approach
The Group identified the following opportunities to manage water risks: <ul style="list-style-type: none"> <li>• Proper protocols in water waste disposals</li> <li>• Improve the protocols in water recycling or re using</li> <li>• Ensure waste water system is functional</li> </ul>	Shareholders and Community	The Group will monitor its water consumption to ensure that conservation is in place and improve the recycling/reusing protocols and waste water handling.

#### 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	20,000	PhP
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	0	#
No. of cases resolved through dispute resolution mechanism	1	#

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Non-compliance with environmental laws and/or regulations can impact the Group through monetary penalties, sanctions, litigation and reputational risk.	Community, Government and Shareholders	The Group shall monitor strict compliance with law, rules and regulations in place. Protocols shall be reviewed timely to ensure that it is adaptive to present situations.

What are the Risk/s identified?	Which stakeholders are affected?	Management Approach
Non-compliance with environmental laws and/or regulations could have implications to the Group such as monetary penalties, stoppage of operations and other sanctions.	Community and the Government	The Group shall monitor strict compliance with law, rules and regulations in place. Protocols shall be reviewed timely to ensure that it is adaptive to present situations.
What are the Opportunity/ies identified?	Which stakeholders are affected?	Management Approach
This presents the Group an opportunity to re evaluate its existing protocols and compliance. Further, this will be an avenue for the Group to make concrete action plan in mitigating the adverse environmental impacts.	Shareholders, Community the Government.	The Group shall monitor strict compliance with law, rules and regulations in place. Protocols shall be reviewed timely to ensure that it is adaptive to present situations. Management shall likewise make strong involvement in environmental conservation activities.

## SOCIAL

### Employee Management Employee Hiring and Benefits

#### Employee data

Disclosure	Quantity	Units
Total number of employees	ANI-203	#
	SUBS-230	
a. Number of female employees	ANI-86	#
	SUBS-79	
b. Number of male employees	ANI-117	#
	SUBS-151	
Attrition rate	ANI-12 (5.9%)	Rate
	SUBS-20(8.69%)	
Ratio of lowest paid employee against minimum wage	0	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	13.33%	17.16%
PhilHealth	Y	10.30%	4.47%
Pag-ibig	Y	9.09%	10.44%
Parental leaves	Y	5.45%	4.47%
Vacation leaves	Y	100%	100%
Sick leaves	Y	100%	100%
Medical benefits (aside from PhilHealth)	Y	29.09%	16.04%

Housing assistance (aside from Pag-ibig)	N	-	-
Retirement fund (aside from SSS)	N	-	-
Further education support	N	-	-
Company stock options	N	-	-
Telecommuting	N	10.90%	3.35%
Flexible-working Hours	N	10.90%	3.35%
(Others)	N	-	-

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Group recognizes the vital role of proper employee handling and what it contributes to the productivity of the company as a whole.	<i>The Group strictly adheres to the labor standards and policies set by the Department of Labor and Employment and other government agencies, as minimum benchmarks in terms of its work standards and employee relations.</i>
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
The Group recognizes that improper employee management and poor employee retention will result to low productivity, corruption and attrition.	<i>The Group strictly adheres to the labor standards and policies set by the Department of Labor and Employment and other government agencies, as minimum benchmarks in terms of its work standards and employee relations. Issues relative to employee concerns are likewise encouraged to be discussed during weekly management meetings.</i>
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
This presents the Group with an opportunity to improve its employee management by ensuring provision of benefits that will yield to a more productive and loyal organization.	The Group shall re-evaluate its employee benefits, and give loyal and hardworking employees premium.

#### Employee Training and Development

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

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
<i>Training and development plays an important role in improving the efficiency and awareness of employees,</i>	The Group provides training to its organization to keep them well informed in changes in

<i>thus increasing the Group's opportunity to generate more income.</i>	governmental and organizational policies. This will likewise increase their confidence in performing their duties and responsibilities.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not all employees are given the opportunity to attend trainings.	Conduct of in-house trainings to ensure that all employees will be given the opportunity to participate.
Retention of matters presented in the trainings.	Conduct of Post training evaluations.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
This presents the Group with an opportunity to improve the capabilities of its employees.	Increase the conduct of trainings to enhance and update employees' skills, work experience, leadership and behavior.

#### Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining Agreements	0	%
Number of consultations conducted with employees concerning employee-related policies	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
<i>Good labor management relations is crucial in overall productivity and maintaining harmony in the workplace.</i>	The Group is open to hearing its employees' concerns and opinion, if any. These concerns are considered and acted upon, when necessary. The Group will conduct more consultations as needed.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
When disagreements and grievances are not addressed as expected by the employee, there is a risk of labor unrest and labor suits.	The Group ensures that their grievance procedures and labor policies comply with the Labor Code and other labor laws.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Proper management of labor relations offers opportunity for operational efficiency, productivity and sustained growth.	The Group ensures that their grievance procedures and labor policies comply with the Labor Code and other labor laws.

#### Diversity and Equal Opportunity

Disclosure	Quantity	Units
% of female workers in the workforce	ANI – 42.36%	%
	SUBS – 34.34%	
% of male workers in the workforce	ANI – 57.64%	%
	SUBS – 65.66%	
Number of employees from indigenous communities and/or vulnerable sector*	ANI - 0	#
	SUBS – 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).

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
<i>Diversity and equality in the workforce have impact on the Group's business operations in terms of fitness and productivity.</i>	<i>The Group ensures that there is no discrimination on employees based on gender, age, race or religion. Hiring and promotion are purely based on merit and fitness. Disciplinary cases are also decided based on the facts of the case and applicable company policies and labor laws, rules and regulations.</i>
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
<i>Diversity in workplace may result to biases hence may create an unhealthy workplace.</i>	The Group shall ensure regular dialogue with employees and provide employee engagement programs.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Diversity and equality in human capital offers an opportunity to formulate policies in relation thereto to minimize the risks identified.	The Group will continue to provide work opportunities for people belonging to the vulnerable sector.

Workplace Conditions, Labor Standards, and Human Rights  
Occupational Health and Safety

<b>Disclosure</b>	<b>Quantity</b>	<b>Units</b>
Safe Man-Hours	2,496	Man-hours
No. of work-related injuries	5	#
No. of work-related fatalities	0	#
No. of work-related ill-health	0	#
No. of safety drills	0	#

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
The Group's operation specifically the manufacturing arm is exposed in occupational hazards.	<p>The conducts seminars on safety in the workplace and policies are in place to ensure the safety of its employees.</p> <p>Trainings on first aid and health and occupational safety are likewise a priority.</p>
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Employees' non-compliance with the policies and accidents are inevitable.	The Group strictly monitors compliance with health and occupational safety policies. Further, first aid protocols are ensured to be in place at all times.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
This presents an opportunity to improve policies and data relating to health, safety and welfare of employees.	The Group is committed to enhance workplace safety requirements and protocols already being implemented in the organization.



### 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	N	The Group adopts and complies with relevant laws, rules and regulations relating to the protection of human rights and labor.
Child labor	N	
Human Rights	N	

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
<i>Non-compliance with labor laws and human rights in the workplace may impact the Group's productivity, employee retention and employee engagement.</i>	The Group will continue to protect its employees' human rights and comply with labor laws, rules and regulations.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Human rights and labor law violations will expose the Group to likelihood of litigation and affect its reputation.	The Group will continue to protect its employees' human rights and comply with labor laws, rules and regulations.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
Compliance to existing laws will yield to employment of quality workers and decrease attrition rate.	The Group will continue to protect its employees' human rights and comply with labor laws, rules and regulations.

### Supply Chain Management

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

No.

Do you consider the following sustainability topics when accrediting suppliers?

Topic	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Y	Though the Group does not have a written policy on accreditation, due diligence is being conducted to ensure its suppliers'/service provider's legitimacy and performance capabilities.
Forced labor	Y	
Child labor	Y	
Human rights	Y	
Bribery and corruption	Y	

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Supply Chain Management has a very considerable impact in sourcing quality and cost efficient supplies.	The Group ensures that due diligence is being made before transacting with suppliers/service providers.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Poor Supply Chain Management may result to sub standard supplies, delay or non deliveries.	The Group ensures that due diligence is being made before transacting with suppliers/service providers.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>

This presents the Group with an opportunity to improve its supply chain management and establish an accreditation process.	The Group will re evaluate performance of existing suppliers/service providers and establish an accreditation process.
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#### Relationship with Community

#### Significant Impacts on Local Communities

<b>Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)</b>	<b>Location</b>	<b>Vulnerable groups (if applicable)*</b>	<b>Does the particular operation have impacts on indigenous people (Y/N)?</b>	<b>Collective or individual rights that have been identified that or particular concern for the community</b>	<b>Mitigating measures (if negative) or enhancement measures (if positive)</b>
As the Group leans on the agricultural industry, sourcing almost all of its raw materials from local sources, achieves the Group's goals of furthering the cause of local farmers, introducing the Philippine produce to the international market and provide healthy alternative to the community.	Bulacan, Pampanga, Davao	The Group does not discriminate against vulnerable sectors in terms of employment.	No	None	To further the causes of the agricultural sector by empowering the farmers through contract farming and ensuring that their produce has a market.

\*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: N.A.

<b>Certificates</b>	<b>Quantity</b>	<b>Units</b>
FPIC process is still undergoing	N.A.	#
CP secured	N.A.	#

<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Not Applicable  (The Group's business operations do not affect IPs)	Not Applicable  (The Group's business operations do not affect IPs)

What are the Opportunity/ies Identified?	Management Approach
Not Applicable  (The Group's business operations do not affect IPs)	Not Applicable  (The Group's business operations do not affect IPs)

#### Customer Management

#### Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	This data is not available. All complaints are being handled by the Managers of the unit concerned.	No

#### 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.

#### 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.

#### 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
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Customer satisfaction is the core of the Group's business, hence plays a major impact in its operations.	The Group maintains a customer satisfaction evaluation by randomly getting their feedbacks on the goods and service being provided. Further, customer complaints are ensured to be properly escalated and addressed within a given service level.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
Instances are inevitable where customers will not be satisfied with how the complaints were handled or resolved.	The Group maintains a customer satisfaction evaluation by randomly getting their feedbacks on the goods and service being provided. Further, customer complaints are ensured to be properly escalated and addressed within a given service level.  Customer complaints will be duly noted and used as reference in improving operations.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
This presents the Group an opportunity to further customer experience.	The Group maintains a customer satisfaction evaluation by randomly getting their feedbacks on the goods and service being provided. Further, customer complaints are ensured to be properly escalated and addressed within a given service level.  The Group shall likewise innovate other means to further customer experience.

#### Data Security

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

<b>What is the impact and where does it occur? What is the organization's involvement in the impact?</b>	<b>Management Approach</b>
Data security has material impact on data management and reputation of the Group.	The Group adopts and complies with laws, rules and regulations relating to data privacy.
<b>What are the Risk/s Identified?</b>	<b>Management Approach</b>
The Group has considerable number of trade secrets in manufacturing and retail arm. Data breach will greatly impact its operations.	The Group adopts strict protocols on data privacy and protection and ensures that only identified individuals have access on a need to know basis.
<b>What are the Opportunity/ies Identified?</b>	<b>Management Approach</b>
This presents the an opportunity to evaluate and improve their current data management system.	The Group adopts strict protocols on data privacy and protection and has a dedicated unit to ensure compliance thereto.

## UN SUSTAINABLE 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
Crops, fruits, and vegetables	SDG 2: Contribute to food security  SDG 3: Provision of healthy menu through its retail arm	No material negative impact	The Group shall ensure compliance with existing laws in its operations and be mindful of its responsibility in reducing environmental footprints

# ANNEX A