

#### **ABOUT THE COVER**

More than a year since the COVID-19 pandemic began, we, as a country continue to face the battle of our lives. At Century Pacific, we take our role of providing affordable nutrition during these challenging times very seriously. What started as a job has now become a mission.

We are comforted by the fact that it is inherent to us Filipinos to never give up and keep going. We will continue to take this responsibility seriously and we stand firmly alongside the Filipino people as we fight this virus together.

#### #TheFilipinoCan

#### **ABOUT THE REPORT**

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This report covers the period from January to December 2020 and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option

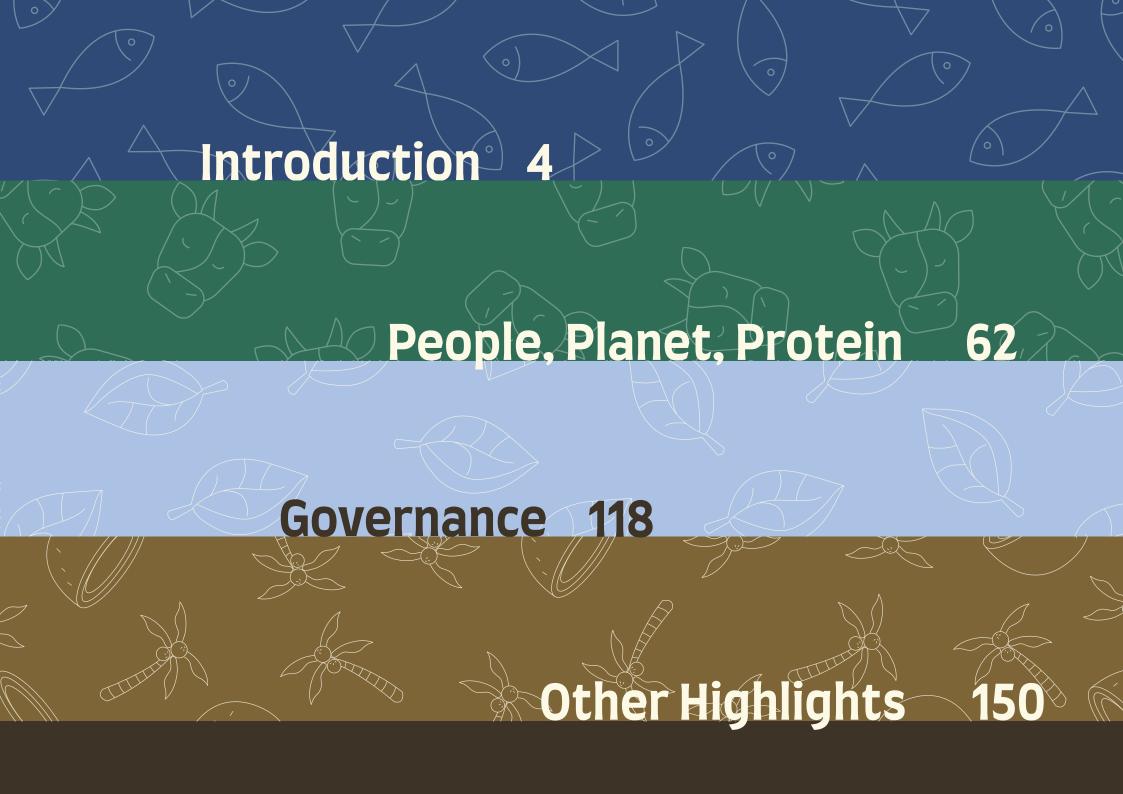


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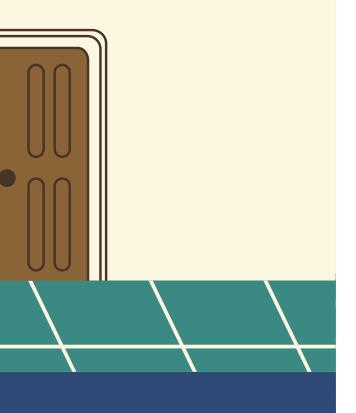


For questions or feedback, please contact CNPF Investor Relations at investorrelations@centurypacific.com.ph





# Introduction



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**Brands and Products You Love and Trust** 

Meat

Century Pacific Food, Inc. (CNPF) is one of the largest branded food companies in the Philippines. We are primarily engaged in the manufacturing, packaging and

canning, marketing, and distribution of processed marine, meat, milk, coconut and plant-based products.

#### Marine

We produce tuna, sardines, and other fish- and seafood-based products through our branded MARINE segment, having launched well-known brands such as Century Tuna, 555, Blue Bay, Fresca, Kamayan, Century Quality, and Lucky 7.

At present, CNPF is the market leader in the local canned tuna market. Century Tuna, our flagship brand, is a champion for health and wellness in the country.

We produce corned beef, corned chicken, meat loaf, luncheon meat, Vienna sausage, and other meat-based products. This includes recognized brands, namely Argentina, 555, Swift, Wow! Ulam, Shanghai, and Lucky 7.

The Company likewise currently holds the market-leading position in the local corned beef, emulsified loaves, and ready-to-eat beans markets.

Plant-Based

Beginning in 2020, we made our biggest move yet into the meat-free market with the rollout of the unMEAT brand of plant-based products to institutional and retail markets in the Philippines and abroad.

The launch of the new plant-based range is in response to the expanding consumer preference for a healthier diet, partly triggered by the COVID pandemic when people aimed to eat healthy to boost their immune system.

This initiative supports both our ambition to become a healthier food company and to do business in a more sustainable and responsible way. Apart from being good for the health, the supply chain for plant-based products requires lower consumption of various natural resources such as water, land, and energy, and generates less greenhouse gas emissions compared to the production process for meat









#### Milk

We produce full cream milk, powdered milk drink, evaporated and condensed milk, all-purpose cream, and other dairy products through our branded MILK segment, primarily composed of the Birch Tree and Angel brands.

This segment is emerging as a high-performing third leg for the branded business. By positioning our heritage brand Birch Tree as a strong challenger, we have experienced market share gains in recent years, taking the #2 position in the powdered milk category.

We continue to build the brand and utilize it as a platform to expand and advance in the large, high-growth powdered milk category in the Philippines and its subcategories. In 2019, we launched Birch Tree Fortified Choco, our first flavor extension of Birch Tree Milk Powder and currently the market leader in the chocolate powdered milk segment.

Taking advantage of the goodwill and momentum of the brand, and leveraging on the Company's extensive distribution network, we launched another irrovation last year. Birch Tree Adult Boost is a high-quality and affordable option for strengthening the irrounity to help in this COVID-19 pandemic.

We are mainly an OEM (original equipment manufacturer) for coconut products, producing retail-packaged coconut water, organic virgin coconut oil, desiccated coconuts, coconut flour, coconut milk, and coconut cream via our COCONUT segment. There continues to be strong demand for coconut products around the world and, through this segment, we are able to ride the growing global wave of health and wellness.

The Company entered the domestic coconut market in 2019, specifically the coconut cream category with our new Coco Mama brand. Coconut cream is a frequently used culinary ingredient in the Philippine and Southeast Asian cultures. By leveraging our manufacturing, marketing, and distribution knowhow for our first branded coconut product, we are addressing the need for convenient but fresh quality coconut cream for cooking.

#### **Tuna OEM**

We produce private label canned, pouched, and frozen tuna products for export through our TUNA OEM segment – the Company's legacy business established over 40 years ago.

As a preferred partner of large international brands, CNPF is one of the Philippines' leading exporters of tuna OEM. Through this segment, the branded MARINE business is also able to benefit from cost efficiencies brought about by the added scale, as well as quality and sustainability controls on par with international food regulatory standards.



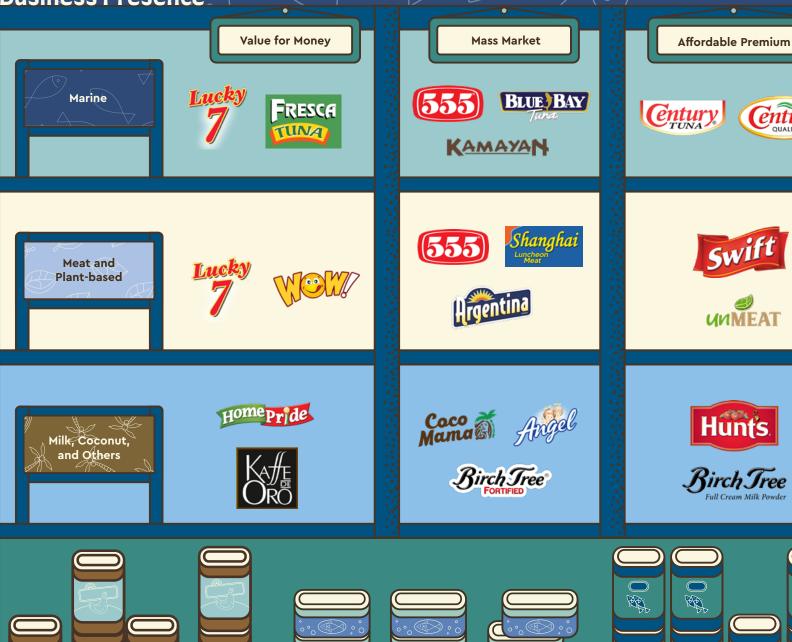
#### **Refrigerated Food**

We produce refrigerated food products that include processed meats and better-for-you products under the Century, Argentina, Swift, and Wow brands.

We are also a supplier of refrigerated food ingredients to our food service partners nationwide.

The Company entered the refrigerated food market with the acquisition of emerging player Pacific Meat Company Inc (PMCI) last April 2021.

## Our Business Presence



Century QUALITY

**Marine** 

# PHP 16,140M 2020 revenue

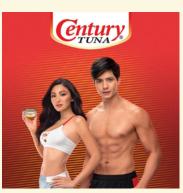
114 SKUs

33% Contribution to total revenue













### Meat and Plant-based

# PHP 11,332M 2020 revenue

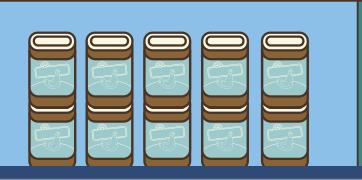
**55** 24% SKUs Contribution to total revenue **UNMEAT 555** 











#### Milk and Others

# PHP 11,586M

24% Contribution to total revenue **52** 

















#### **Tuna and Coconut OEM**

# PHP 9,244M

2020 revenue

#### **Coconut OEM Products**

Coconut water Desiccated coconut Virgin coconut oil Coconut flour Coconut milk

19%

Contribution to total revenue

#### **Tuna OEM Products**

Frozen tuna loins Pouched tuna Canned tuna Fish meal









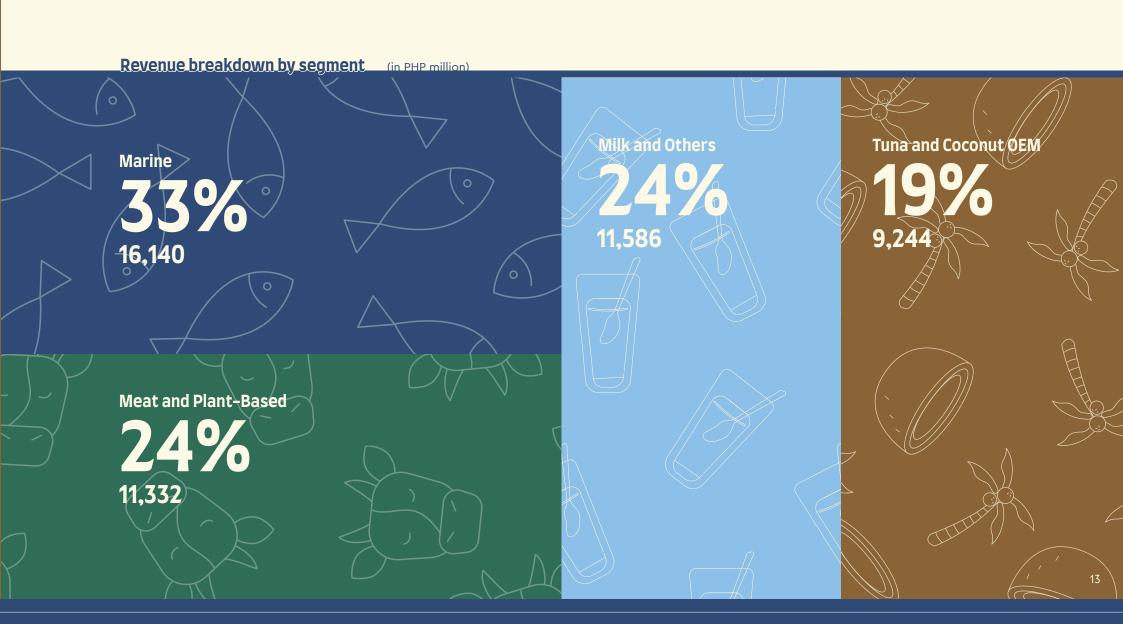


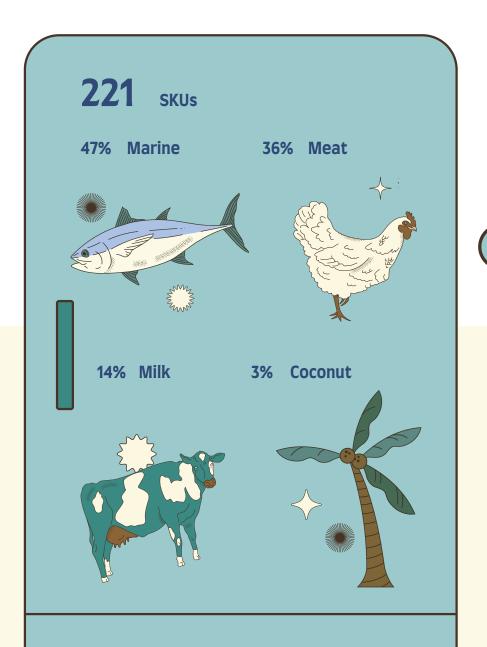


# 2020 Revenue Breakdown

**48,302** Revenues

(2019: 40,560)







Market Position in the Local Canned Tuna and Canned Meat Segments





# **PHP48.3B**

In Revenues
(19% GROWTH)

#### **Fastest-Growing Powdered Milk Brand**



#### Products available in 775k Philippine outlets





(Source: Nielsen 2020)

# Each Filipino consumed approximately 14 of CNPF's products in 2020



# **PHP3.9B**

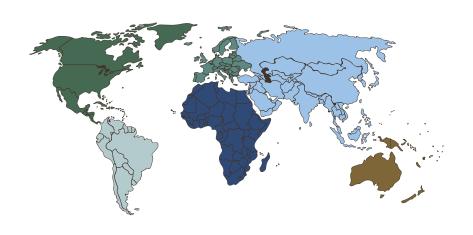
In Net Income (23% GROWTH)

#### Available in 68% of All Points of Sale in the Philippines



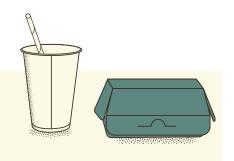
(Source: Nielsen 2020)

#### **CNPF Products Available in 80 Countries**



#### PLASTIC NEUTRALITY

CNPF marked its first year of being "100 percent plastic-neutral" following the launch of the initiative in 2019



#### **GOING DIGITAL**

CNPF signals a stronger presence in Digital Commerce through its entry in various digital platforms such as Shopee and Lazada.



#### PARTNERSHIP FOR **HEALTH AND SAFETY**

CNPF partners with Reliance for the COVID DOUBLED DIVIDENDS Infection Control Program The company doubles that focuses on the its declared long-term adoption of dividend for the year, to occupational safety and Php0.36 per share from 2019's Php0.18. health measures.

Jan

Feb

Mar

#### **ENSURING A HEALTHY** AND SAFE WORKPLACE

implementation hygiene measures in its manufacturing plants to protect workers who continue to work amidst packs in 2020. the pandemic.

#### FOOD, HEALTH, AND HOPE

CNPF pledges to donate CNPF reiterates the 1 Million Food Packs to of affected communities of stringent health and COVID-19 through the national government and partner LGUs. It ends up donating 6 million food

#### **GROWING REACH**

CNPF expands its digital accessibility through DEL2HOME, a Home Delivery Service for essential items in Metro Manila.











#### ALL-AROUND EXCELLENCE

CNPF garners top honors in the Institutional Investor's All-Asia Executive Team 2020 rankings for its corporate excellence, sustainability initiatives and investor relations program.

Sept

#### 1ST IN THE PH

CNPF acquired plastic neutrality certification from Plastic Credit Exchange (PCEx) making it the first food company in the Philippines to pursue verification for a plastic offsetting initiative.

## STRENGTHENED PARTNERSHIP WITH VITA COCO

CNPF strengthens ties with Vita Coco, the world's leading coconut water brand, through extending its longterm agreement as original equipment manufacturer (OEM)

#### **EXPORT BUSINESS RECOGNITION**

CNPF recognized in the Asian Export Awards 2020 due to its significant sales growth in the Asia-Pacific region

Jul

Oct

Nov

Dec

## BIRCH TREE FORTIFIED ADULT BOOST LAUNCH

BirchTree unveils BirchTree Fortified Adult Boost, a new formulation boosted with adult-level Immunity support nutrients to aid adult consumers of the brand.

#### COMMITTED TO CLEAN ENERGY

CNPF receives approval from the SEC for the incorporation of its wholly-owned subsidiaries General Odyssey Inc. and Century Pacific Solar, Inc.

## FORGING PARTNERSHIPS IN COCONUT

CNPF signs a long-term contract as original equipment manufacturer (OEM) for the Linaco Group.

#### EXPANDED COCONUT CAPACITY

CNPF augments its coconut manufacturing capacity with additional PHP 300 million investment to address growing demand for high-value coconut products internationally.



CNPF launches unMeat, the first large-scale vegan plant-based brand in the Philippines. This marks its entry into the large plant-based space, leveraging on more than 3 decades of experience and capabilities in soy-based proteins.





# Financial Highlights

For the 12 Months Ended 31 December (In PHP million)

Profit and Loss Statement	2020	2019	%Change
Revenue	48,302	40,560	19%
Gross Profit	11,928	9,724	23%
EBITDA	6,495	5,340	22%
Net Income	3,879	3,149	23%
Balance Sheet			
Cash	1,229	1,608	-24%
Receivables	7,600	7,001	9%
Inventory	14,313	11,782	21%
Total Assets	36,276	32,589	11%
Payables	9,671	6,833	42%
Interest-Bearing Debt	3,533	5,521	-36%
Total Liabilities	14,840	13,434	10%
Total Equity	21,436	19,154	12%
Cash Flows			
Operating Cash Flows	5,177	3,681	41%
Capital Expenditures	1,736	1,774	-2%
Free Cash Flows	3,441	1,907	80%
Net Change in Cash	-378	-68	-456%
Ratios			
Return on Equity	19.1%	17.6%	+1.5pps
Net Gearing Ratio	0.11x	0.20x	+0.9pps
Net Interest-Bearing Debt-to EBITDA Ratio	0.35x	0.73x	-0.38pps

19% Revenue Growth YoY

23%
Net Income Growth YoY

19% Return on Equity

0.11x Net Gearing







#### P&L Highlights

Figures in PHP million

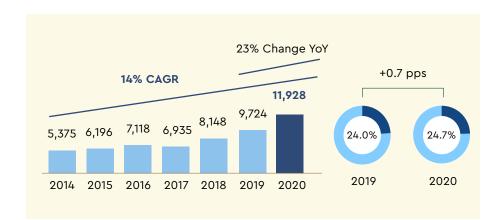
#### Revenues

#### 19% Change YoY **15% CAGR** 48,302 40,560 37,885 32,907 26,796 23,325 20,439 2014 2015 2016 2017 2018 2019 2020

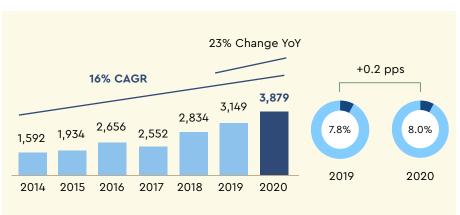
#### **EBITDA**

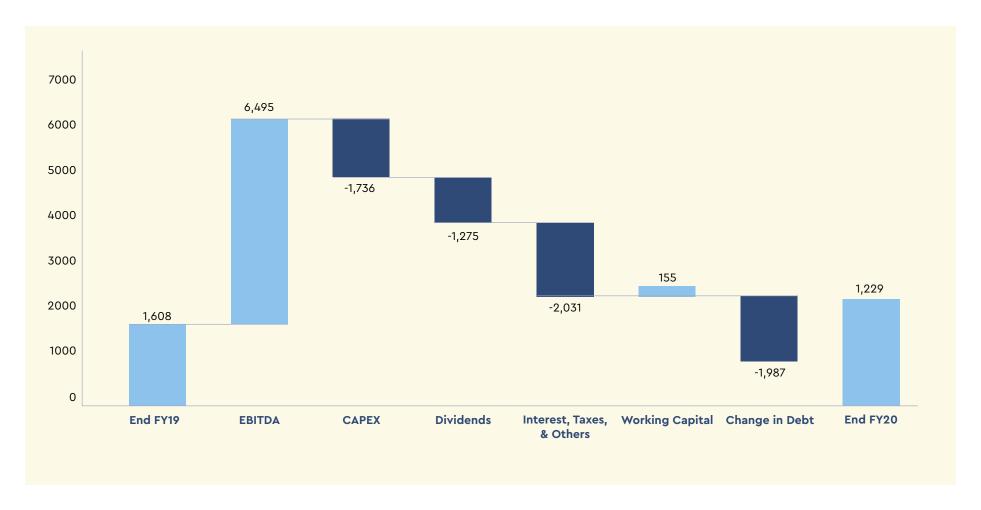


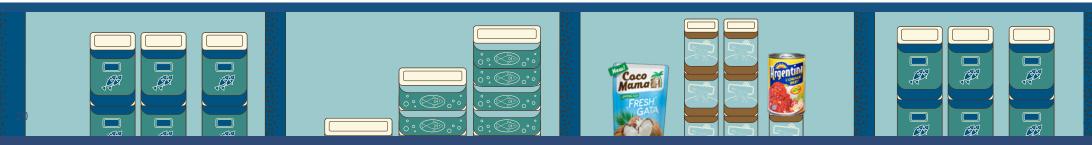
#### **Gross Profit**



#### Net Income

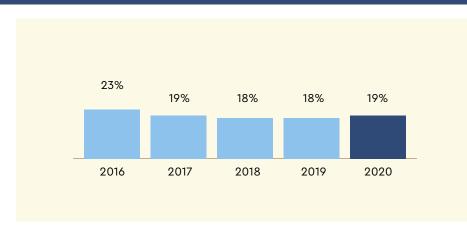






### Other Highlights

#### **Return on Equity**



#### Net Interest-Bearing Debt-to-EBITDA Ratio



#### Net Gearing Ratio



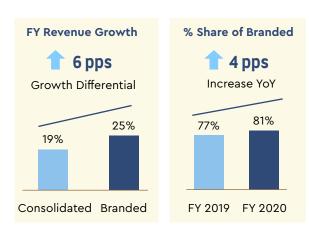
#### Total Assets in PHP Mill

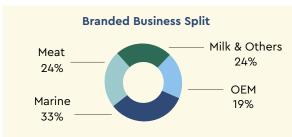


# **Measuring Our Financial Performance**

For full-year 2020, consolidated revenues grew by 19% to Php48.3 billion. This was driven primarily by the outperformance of the Branded business which saw sales increase by 25%. Branded remains to be majority of overall sales at 81% of total topline, representing a 400 basis point increase compared to its 77% share in 2019.

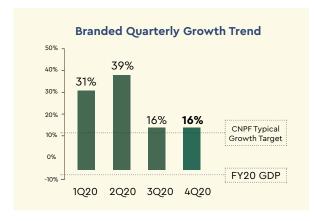
All our branded units – Marine, Meat, and Milk – benefitted from outperformance this year. The marine and meat segments saw the biggest lift from covid-related demand spikes. Marine in particular had the extra benefit of additional capacity coming from its new plant that went on stream March 2020. Milk maintained its extraordinary multi-year growth momentum – driven primarily by the continued growth of BIRCH TREE powdered milk.

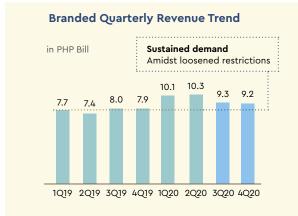




From a quarterly perspective, we saw robust demand for our branded products all throughout 2020. January and February were strong, even before any hint of covid here in the Philippines. This was followed by fairly significant pandemic-related demand spikes.

Most notably, we continued to see double digit growth towards the second half of the year, despite the demand spikes in the first half and the general opening up of the country. This, in our view, reflects the very resilient and essentials nature of our portfolio.





#### **Emerging Consumer Trends**

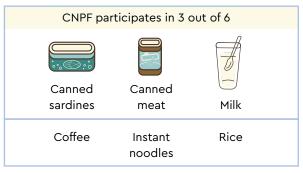
Emerging trends have shifted many consumer behaviors in our favor

- · Cooking at Home
- Health & Wellness
- Digital Channels
- Trusted Brands

Safety

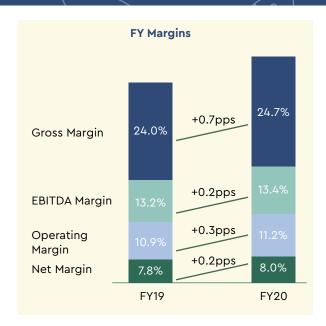
Value for Money

#### **Key Critical Household Items**



Of the six household items tagged by the national government as critical and essential, half of these are our categories we participate in across our Marine, Meat and Milk business unit. Through tough times and better ones, our products are truly staples of the Filipino household.

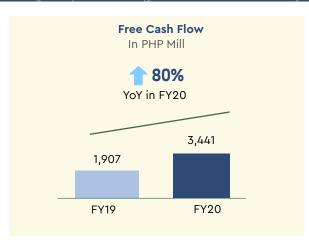
In addition, ongoing economic uncertainty, alongside various emerging trends, continues to shift many consumer behaviors in a way that will likely outlive the ongoing pandemic. These trends include: (1) spending more time and appreciating being at home, with more and more consumers learning to cook; (2) gravitating towards products that are known to be safe, particularly those that are sealed and well packed, and (3) relying more on brands and names that are trusted, value-formoney and represent some level of health, wellness, and immunity. By and large, our brands and product portfolio reflect all of these consumer themes.

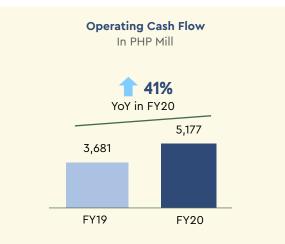


In terms of profitability, margins expanded across all line items for full-year 2020. This was driven by stable raw material price trends, alongside an improvement in sales mix due to the outperformance of the higher-margin branded business relative to OEM.

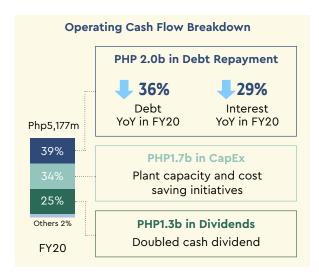
Consolidated gross margin expanded by 70 basis points to 24.7%, allowing for buffers against higher operating costs, particularly labor, logistics and safety-related costs that were incurred amidst the ongoing COVID pandemic. Our robust pipeline of product innovations and numerous new products, also meant we continued to invest on brand-building and distribution initiatives.

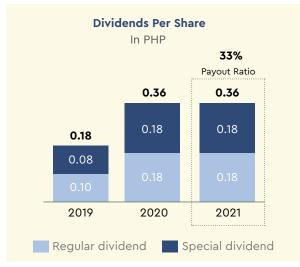
Nonetheless, we still saw margin improvement at the operating and net income level of 30 basis points and 20 basis points, respectively, allowing for net income growth to outperform our historical growth rates – increasing by 24% for full-year 2020.





As a result of this extraordinary growth, combined with better working capital management which saw cash conversion days come down versus 2019, we saw a significant improvement in both free cash flows and operating cash flows, which were up 80% and 41%, respectively, this 2021.



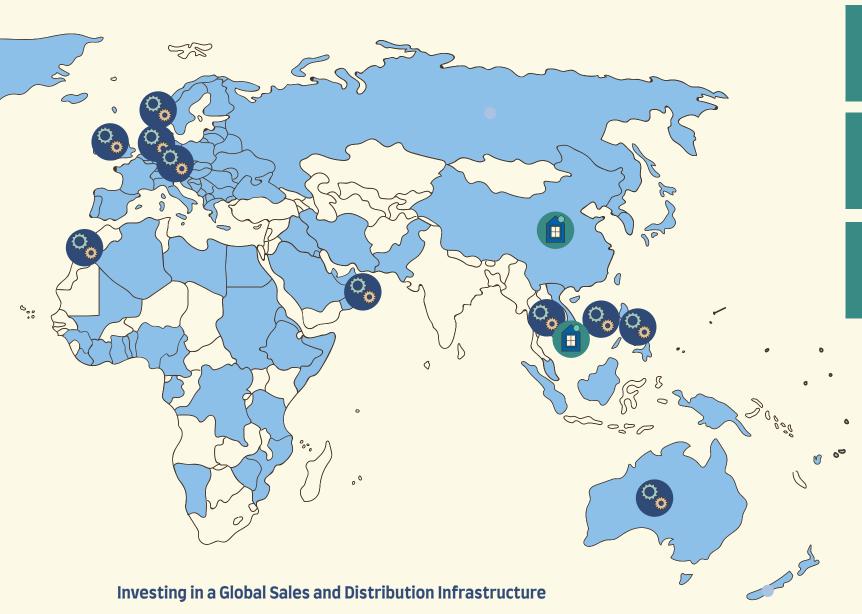


This incremental cash year on year allowed us to: (1) pursue CAPEX of Php1.7 billion, mainly for capacity expansion projects and efficiency and cost saving initiatives; (2) pay down Php2 billion in interest-bearing debt; and (3) double our dividends to Php1.3 billion last year, representing Php0.36 per share vs 2019's Php0.18 per share.



Our Global Footprint





80
Countries CNPF Products
are Available in

Offshore Toll Manufacturers

Global Branded Sales Offices

EXPORT PRESENCE

TOLL
MANUFACTURERS

SALES OFFICES

### Focus Areas for Business Growth

#### **Market Share**

Apart from monitoring financial metrics, the following are other key measures and business areas critical to maintaining and executing our growth strategy.

Canned Tuna Market Share\*

**Corned Meat Market Share\*** 

Powdered Milk Market Share\*

2016-2020 Average



2016-2020 Average



When it comes to affordable yet quality meat

products, our flagship Argentina brand remains to be

the go-to name, sustaining CNPF's market leadership

2016-2020 Average



With our flagship brand Century Tuna championing for health and wellness, the Company continues to be the primary driver of canned tuna consumption in the Philippines.

As we continue to grow and invest in the category, several new entrants have emerged. We are, however, able to maintain a significant lead over our competitors and continue to build a moat around our business.

\*Source: Nielsen

in the canned meat category.

Our milk business has been emerging as a strong third leg to our branded business in recent years. By building and utilizing our heritage Birch Tree brand as a platform for our value-for-money offerings, as well as leveraging our extensive distribution network, we are able to establish and maintain our strong challenger position in the large and high-growth powdered milk category. The momentum of our Birch Tree brand also allowed us to expand to other subcategories of powdered milk as we launched Birch Tree Fortified Choco in 2019 and Birch Tree Fortified Adult Boost in 2020.

<sup>\*</sup>Source: Nielsen

<sup>\*\*</sup>As of January 2016

<sup>\*</sup>Source: Nielsen



#### **Innovation**

We have been addressing the needs of Filipinos through the years by continuously introducing new products. Our strong focus on R&D-driven innovation, high-quality manufacturing, and intuitive marketing campaigns allows us to turn simple product concepts into reality, with the support and assurance of multiple food experts and tests.

We have also been improving the accessibility of our products by leveraging digital channels. On top of traditional sales avenues, our products are now available on online retail platforms through our Century Food Store in Shopee and Lazada. Additionally, we launched DEL2HOME in Metro Manila, a home delivery service that brings our products straight to consumers' doorsteps. These allow us to service them wherever they may be, becoming a potential driver for CNPF's future growth.

#### Organization

CNPF's goals are delivered year in and year out by experienced, capable, and success-driven professionals. Human capital is a key asset, and so recruiting, training, and retaining talent, through proper compensation and a healthy work environment among others, are essential investments. As the Executive and Management teams lead the Company while the rest of the organization works in support of the strategies, CNPF has been able to achieve growth through its current portfolio and new business opportunities. To ensure sustainability and longevity, the Company is embarking on an AGILE journey with a vision to create an organization that leverages multi-disciplinary and highly connected teams, allowing faster reaction time while operating in an environment of constant change. We aim to grow and scale the business with the right balance of centralized control and entrepreneurial empowerment. This will enable the Company to adopt new ways of working, fostering and encouraging creativity, customer centricity, iterative innovation, and continuous self-development.

#### **Sustainability**

We began our ESG journey in 2018 and continue to progress in integrating sustainability across our value chain. We recently finalized our sustainability strategy after determining our material non-financial metrics. This included setting up realistic ESG targets and solidifying our management approach to aid us in delivering responsible business growth.





#### <u>Purpose</u>

To nourish and delight everyone, everyday, everywhere.



#### **Vision**

We are a sustainable and responsible global company of entrepreneurs that nourishes and delights our consumers with healthier food and beverages through our manufacturing excellence, nutrition expertise, trusted brands, and passionate people.

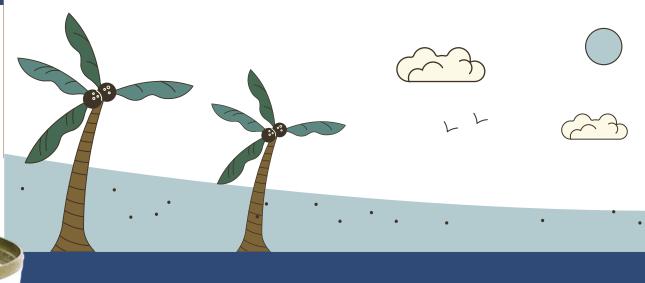
#### **Mission**

Reinforce current businesses and brands to deliver quality and value for money products that generate attractive returns through responsible sourcing and operational excellence

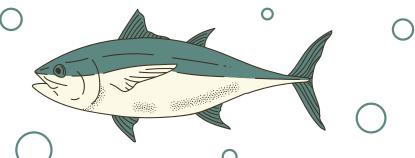
**Strengthen the organization** that attracts, nurtures, and retains passionate and high performing corporate entrepreneurs and teams who live balanced lives

Pioneer the development of healthier and tastier food and beverages that consumers love and trust through latest credible nutrition science and effective branding

Scale up the business across the globe by creating consumer and customer connections and experiences in a more profitable and sustainable way across the value chain







#### **Core Values**

#### Respect for the Individual

We accept that there will always be differences in opinions, perspective, and way of doing things. We find ways to arrive at the highest value that can be created out of issues and opportunities despite individual differences. We listen to everyone's opinion but firm on the final team decision.

#### **Teamwork**

We work together under one vision and mission. We recognize the strength of individuals and let the most qualified lead the team. We understand individual accountabilities, deliver on them, and do more as the situation calls for it.

#### Passion for Excellence

We continuously work across the value chain on excelling and optimizing our operations and costs to offer the best value for our customers, partners, and shareholders. We are relentless in overcoming challenges.

#### **Customer Centric**

We continuously pursue to understand consumer needs, anticipate market trends, and work towards delighting them through our products and experiences. We understand who benefits most from the goods or services we provide and continuously find ways to "wow" them. We are reliable, resilient, and responsible. We go the extra mile to provide more than the basic necessities of our customer and display a sense of urgency to service their priorities.

#### Humility

We respect each other and remain grounded even with exceptional intellectual achievements. We are open to ideas as brilliant ideas can come from anybody. We recognize the value of others far greater than oneself. We celebrate successes resulting from one's hard work and not due to the failure of others. We graciously accept defeat or loss, keeping in mind that this is but a learning experience preparing us for greater achievements. We are able to admit and accept one's mistakes.





#### Integrity

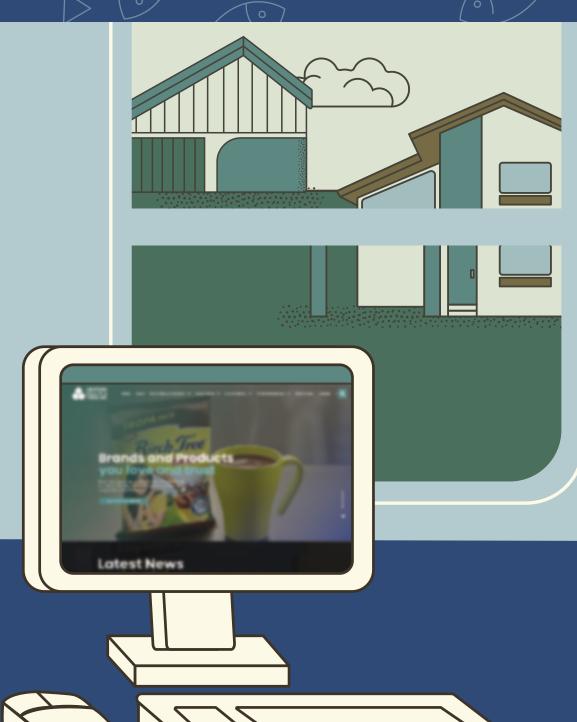
All our decisions are guided through absolute integrity and conscience to protect our consumers, communities, partners, employees, and shareholders. We strive to do the right thing even when no one is watching. We adhere to moral uprightness, transparency, and trustworthiness. We walk the talk.

#### Malasakit

We strive to exceed expectations through personal accountability, selfless contribution, team work, and proactively collaborating with each other with concern, care, and compassion. We have the mindset of an owner and treat the business as one's own. We help market our products, report relevant customer feedback, and direct display/stock concerns to the appropriate person. We patronize our products.

#### **Entrepreneurial Spirit**

We have grit and possess a growth mindset that enables us to think big, persist in overcoming any challenges, and achieve our vision through a bias for action. We are constantly open to opportunities for the Company to grow further and become more profitable. We continuously strive for effectiveness and efficiency that will drive sustainable and profitable growth. We find ways to do things more efficiently while adding more value to product output to create more business or cost savings to the company. We act on what is good for the company but not to the extent of violating policies. We cut off bureaucracy and always consider the "business side" when making decisions.





#### **Marketing Company of the Year**

Agora Awards 2011

#### Century Tuna and Argentina Reader's Digest Trusted Brands

2011-2013, 2015-2016

# Gregory Banzon Marketing Excellence

Agora Awards 2014

# Initial Public Offering Best Deal in the Philippines

Asset Publishing & Research Ltd. 2014

#### Asia's Marketing Company of the Year

Asia Marketing Federation 2016

#### Philippines' Best Managed Small Cap Company

Asia Money 2016

#### Philippine Small Cap Index

MSCI 2016

#### **Gregory Banzon**

Communication Excellence CEO Excel Awards 2017

#### **Small Cap & All Cap Indices**

Asia Pacific FTSE 2017

#### Philippines' Best Mid Cap Company

Finance Asia 2017–2018

#### **Coconut Exporter Of The Year**

Philippine Coconut Authority 2018

#### 1000 High-Growth Companies Asia Pacific

Financial Times 2018

# Outstanding Achievement in Export Marketing

Agora Awards 2018

# Family Business Award Country & ASEAN Winner

ASEAN Business Awards 2018

#### Best in Sector Consumer Staples Finalist

IR Magazine Awards South East Asia 2018

#### Asian Export Awardee Processed Food

**Large Corporate Category** 

The Asian Export Awards 2018

#### Philippines' Third Best at Investor Relations

Finance Asia 2018

#### Philippines' Third Best Investor Relations Professional Institutional Investor

Insititutional Investor

## Certificate for Excellence in Investor Relations

IR Magazine Awards South East Asia 2018

### Century Tuna Brand of the Year

**Philippine Seafood Category** 

World Branding Awards 2019

#### Best in Country Philippines Finalist

IR Magazine Awards South East Asia 2019

#### Best Overall Investor Relations (Small Cap), Best Investor Relations Officer Finalist (Small-Mid Cap)

IR Magazine Awards South East Asia 2019

#### **Best Annual Report (Small Cap)**

IR Magazine Awards South East Asia 2019

2020

# International Winner (Diversified Industrial Food Category), National Winner for the Philippines (Diversified Industrial Food Category & Family Corporations Category) Hallbars Sustainability Reports Awards

#### **Best In Consumer Staples Finalist**

IR Magazine Awards South East Asia 2020

#### 500 High-Growth Companies Asia Pacific

Financial Times 2020

#### Philippines' Best ESG Mid-Cap Company

Capital Finance International 2020

Philippines' Most Honored Company, Philippines' Best ESG, Philippines' Third Best CEO, Philippines' Best Investor Relations Program, Best Investor Relations Team, Best Investor Relations Professional

Institutional Investor 2020

#### Rookie of the Year

Shopee 2020

#### **Category Winner Large Corporate**

The Asian Export Awards 2020

#### **Best Block Trade**

The Asset Triple A Sustainable Capital Markets Country Awards 2020

#### 500 High-Growth Companies Asia Pacific

Financial Times 2021



# <u>Accreditation</u>

#### Tuna



























### **Sardines**



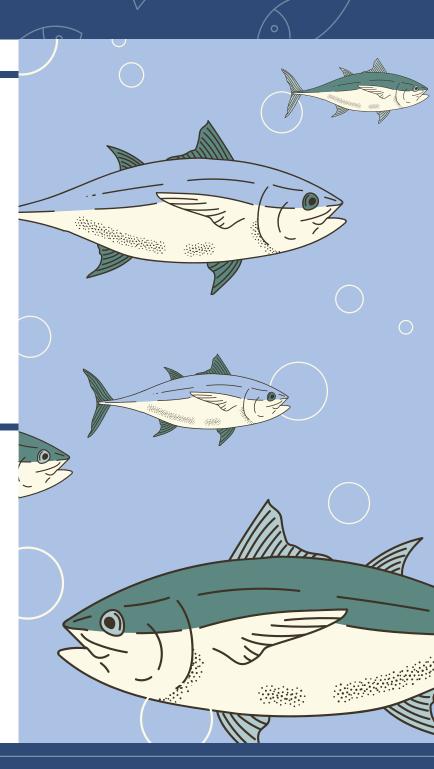












#### Meat













### Milk















### Coconut

























#### Reflections on 2020

Today, March 16, marks the first anniversary of the Covid-19 lockdown.

In an instant, the world turned upside down. The worst global humanitarian crisis in 100 years came to pass and as we write this letter, we, in the Philippines, are still very much in the thick of things.

Among companies, industries and even countries, there were winners and losers. The economies of most countries were decimated, with GDP contracting the most ever since records began, not to mention the human cost of lives lost and livelihoods disintegrated. Whole industries were eviscerated, some saved only by aggressive government bailouts. But there were also those whose business models were favored in a setting where people's lives became home-centered.

In the case of our company, the 2020 headline numbers - revenue growth of +19% to PHP48.3 billion and net income growth of +23% to P3.9 billion - tell the story that we were one of the fortunate and unwitting beneficiaries of the pandemic. The explosion in demand for our products reflects the essentials nature of our portfolio. But that is only part of the story.

While we feel immensely grateful and blessed that our industry was one that received a giant boost from the turn of events, we still believe that "we made our own luck." We are immensely proud of how our team responded to the challenges and opportunities posed by Covid-19. We were able to take care of business, and simultaneously also extend assistance to our communities during this most precarious of times.

For the company, while we did have some cases, our Covid-19 prevention rate in our offices and factories was around 99.9% among our almost 18,000-strong workforce. While our service levels plunged to as



low as 50% at the height of local demand surges and operational hurdles, we were able to keep our factories running and continue delivering many of our essential products when the community needed it. We also started a new factory in General Santos and were able to increase capacity in a number of our production sites, in the process creating 4,500 new jobs at a time when unemployment levels spiraled. We were even able to launch new innovations in the second half of last year with products centered around the themes of health, convenience and value for money.

For the welfare of our employees and the community, we adapted to the situation and pivoted spending towards health and safety. The latest development is that we have ordered close to 70,000 doses of vaccines to cover all our employees, third party contractors, key suppliers and distributors, and some for donation to the government. Amidst all of this, we responded to calls for help by donating more than 5 million food

packs to vulnerable communities seeking help, as well as to those who suffered in a series of calamities that occurred on top of the pandemic such as the volcanic eruption in January and the series of strong typhoons toward the end of last year.

Years from now, we will all look back at the year 2020 and grade ourselves as to how we all fared. We would rate our team as having passed the most difficult of tests with high marks for the things mentioned above and much more, with our financial results only being a small part of the story.

With vaccinations starting and the hope of reopening and normalcy returning in the next 12 to 18 months, we are optimistic about our prospects. Our performance this year gives us confidence that we can navigate through future challenges.

#### **Mission InSpire**

Even as there were many hours and days spent blocking and tackling to adapt to the sometimes drastic changes in the operating environment, we stayed true to our ambition of becoming a healthier, more sustainable, and more inclusive food company. Internally, we are calling this project Mission in Spire.

As a company, what excite us are the SGDs around zero hunger, poverty alleviation, health and well-being, life underwater, life on land, responsible production, and decent jobs and economic growth. From these, we have further developed the 3P's of our sustainability strategy, namely: Protein, Planet and People.

Under Protein, we continue to develop innovations that are under the "better for you, better for the planet" category. For example, we recently launched our unMeat plant-based line of meat analogue products. We were able to test market unMeat burgers at our sister company Shakey's and the results were significantly better than expected. We are also encouraged by the support generated from the flexitarian, vegetarian, and vegan communities in the Philippines. This is a high-growth sector globally and we are excited by the prospects of unMeat. We were also able to launch Birch Tree Adult Boost in August last year. We saw high interest for affordable milk fortified with immunity boosters such as Vitamin C, Zinc and Iron. The product was warmly received but has yet to scale. It was an interesting time to launch, as retailers were more focused on core SKUs and getting supply than introducing new items. There were also fewer opportunities to sample new products. As retail conditions normalize, we hope that we can further increase this product's relevance. We have more innovations in the pipeline that will be consistent with our mission of providing affordable nutrition.

For Planet, our new initiatives include saving 660 million liters of water a year using an innovative water

recycling method at our marine factories. We will also be switching on our 4.5 MW solar power plant in General Santos by August this year. This means 15% of our power requirements in General Santos will be from renewable sources. We are also pleased to be one of the pioneers in achieving plastic neutrality. 2020 marked the second year where we offset our plastic footprint of 6,300 tons of plastic print through our partnership with The Plastic Credit Exchange. We also embarked to make our coconut business carbon-neutral by 2028 or sooner. This will be done by partnering with Friends of HOPE to plant 100,000 new coconut trees a year for the next 8 years. This is exciting for us as we attain a triple win: the farmers win from better harvests, the company wins from better coconut supply in the future, and the planet wins from the trees sequestering the carbon.



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We shall continue to pursue these and more initiatives that will make us more responsible producers, many of which have the added benefit of producing a better bottomline. Watch this space.

As for People, at a time like this, creating quality jobs is an ever more urgent concern. In 2020, as a result of our expansion, we generated an additional 4,500 new jobs. It is gratifying to note that this and other social good come about as we grow the business. We have also begun setting people KPIs related to training hours, safety, diversity, engagement, and others. We will also continue to engage with vulnerable

communities through our KAIN PO feeding program, which distributed 5 million+ meals last year, consistent with our foundation's advocacy of hunger alleviation and nutrition.

While we are gaining some traction for Mission inSpire throughout the organization, we feel we have a long way to go and look to further improve and hopefully also inspire.

#### Outlook for 2021 and Beyond

Providing guidance for the immediate future under the haze of another Covid-19 wave, slow vaccine roll outs, and an economic crunch that saw Philippine GDP contract by -9.5% last year will be a best guess.

We are nearing the end of the first quarter and, as of today, the business is still delivering double digit growth. The comparables become more difficult in second quarter 2020, which saw the height of the lockdowns, and therefore shopper stockpiling and food relief programs by NGO and governments. Nonetheless, the team is still planning to deliver double-digit growth by the end of the year.



We see our OEM tuna business bouncing back as food service industry clients internationally benefit from a re-opening. Our coconut business will add capacity later this year, which will provide another future leg of growth to that emerging business.

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Now more than ever, our mission of affordable nutrition becomes even more critical. As we look ahead, we are highly motivated to deliver on this mission.

Furthermore, we have a pipeline of innovations that will launch later this year and we are hopeful they will contribute to the overall business. We also continue to explore inorganic ways to grow and will undertake disciplined acquisitions that will either consolidate our position in existing categories or create future platforms of growth in adjacent categories.

Going forward, we anticipate putting the pandemic behind us putting the pandemic behind us and for the Philippines to, in one to two years, recover and resume the country's previous growth trajectory. This will be fertile ground for us to pursue our mission of providing affordable nutrition and deliver 10–15% growth every year, over the next couple of years.

Undoubtedly, one of the lasting impacts of the pandemic is the resulting inequality in society. The affluent and the well-to-do are more insulated from the economic aftershock with their savings as a cushion, or even with assets that appreciated due to excess liquidity in the system. The poor and the vulnerable have no such safety net. Now more than ever, our mission of affordable nutrition becomes even more critical. As we look ahead, we are highly motivated to deliver on this mission.

At this point, we would like to salute our Century

frontline workers: the factory teams, security staff, field sales and logistics teams and essential staff who do not have the luxury of doing their jobs from home. Thank you for your dedication and loyalty. Because of you, our plants kept running and we were able to continuously bring our goods to market.

We wish to also recognize our management team for coming together and meeting the challenges of the moment. The team was able to over deliver on the business goals and at the same time reach out to the community, all while displaying our values of teamwork, passion, and humility.

Thank you to our board of directors for the support and the counsel. There were moments of high uncertainty and our consultations allowed us to see around the corners.

Last but not least, thank you to our shareholders. We are deeply grateful for the trust and support. We commit to continue to be responsible stewards of your capital.

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**Christopher T. Po**Executive Chairman

**Teodoro Alexander T. Po**President & CFO

March 2021



# A Tribute To My Father

#### by Christopher Po

As we look to the future, I'd like to now step back and reflect as well on our beginnings as a company – in particular on my father Mr. Ricardo S. Po – and his hard work and sacrifice to get this business off the ground.

During this pandemic, the mission that he started more than 40 years ago – to nourish everyone and everyday – has taken on more significance today than ever before.

No doubt, the many economic, operational, and health challenges of COVID-19 still loom around us.

But our team continues to rise up to the occasion following the example my father provided us, guided by the mission he set up during the company's days as a small tuna business in located in Taguig

It is his sacrifice that allowed us to evolve. From just being an OEM Manufacturer of Tuna products in 1978, we've become a large, well-diversified group of companies, adding a new business or brand every couple of years, leading to what is today a portfolio of strong businesses with experienced management teams and powerful brands.

Today, my father is pretty much retired. He sits on our board but is no longer involved in day-to-day activities of the businesses. That responsibility falls largely to me and my three other brothers, each of us occupying various board and management positions across our different companies.

At the same time, we are also now training a third generation of owners who are starting to come of age. There are 12 of them now, with one of them already working in the business.

Looking back, we again owe much of our businesses' startup and lift-off to my father. He was pretty much a one-man show then, from serving coffee to guests, making photocopies, writing correspondences, and setting up our first factory. Everything was pretty much done by him.

Later on, my brothers and I joined him in what I would call the expansion phase. We strengthened and grew the business together – launching new brands, beginning to acquire new businesses, and setting up the required business systems.

Today, my brothers and I continue to have big responsibilities but with a slightly different focus. Our mission today is strengthening what we have, institutionalizing



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A big part of this process was taking our company public, and inviting institutional ownership into our businesses. So far, we have been blessed with the support and recognition of the investment community.

We are also fortunate to be working with a team of very competent professionals across all businesses – professionals who are a mix of homegrown talent, as well as those we've been able to recruit from the outside.

These are key components to ensure the posterity AND prosperity of our companies.

LASTLY, a focus on sustainability and building RESPONSIBLE businesses, we believe, are also essential to our longevity as a company.

We believe that sustainability AND the ability to balance the needs of ALL our stakeholders — IS ESSENTIAL, not just a necessity by the way, to our goal of long-term value creation.

Again, during these challenging times, I feel a profound sense of gratitude towards the first generation, my father, who founded a business that has proven RESILIENT in the face of a variety of difficulties over the last few decades – the COVID-19 pandemic included.

I'm grateful for his teaching of values by example.

I'm grateful for the trust and relationship he's built with a variety of stakeholders, not least of which, with our customers and consumers who continue to patronize our products.

And lastly, I am grateful for his transitioning early and trusting my brothers and I, at a relatively young age, to take on the reigns of this business.

I was 37 years old when I was made the CEO of the company. It has been 13 years and I've made a lot of mistakes. But then those mistakes are part of the transition and learning process and actually prepare us better for the next generation.



# Updates From Our General Managers

Marine Meat



#### **Gregory Francis H. Banzon**

Executive Vice President & Chief Operations Officer

2020 tested the mettle of our Company in ensuring supply in the Marine categories of canned tuna and sardines, despite the challenges of work and logistical disruption brought on by the pandemic. Given our very dominant market share in tuna and our strong challenger position in sardines, it was imperative that more than enough supply of our brands were available, especially during the surge in demand and its aftermath. By ensuring the health of our employees via adopting strict safety protocols throughout the supply chain, we were among very few companies that were able to sustainably service the demands of the market throughout the challenging year. As a result, we have seen our market shares in both Tuna and Sardines advance further due to availability, affordability and the consumer tendency to prefer trusted brands during a crisis period.

On top of the strong growth domestically, our brands also expanded internationally as countries and entire continents were clamoring for canned tuna and sardine products to bolster their own food supply that were mostly decimated by COVID-19 and its effects. This allowed us to drive our branded export growth and even add new markets to our growing roster of countries where Century Tuna and 555 Sardines are present. This and the strength of our brands domestically are expected to help ensure an even stronger 2021.



#### **Edwin Raymond C. Africa**

Senior Vice President & General Manager - Meat & Corporate Business Services

The Year 2020 was a tale of two cities.... The country, society and our people experienced a truly unprecedented pandemic that disrupted our entire way of life, physically and emotionally. Yet, it was also a year that tested our team in Meat and I am humbled and proud to say that our team passed with spectacular colors.

The year started with a literal bang with the Taal Volcano explosion affecting our manufacturing plant located in Laguna; this was quickly followed by the pandemic and lockdowns. Global supply chains were similarly disrupted by the pandemic, with processing plants in source countries shutting down or minimizing their manufacturing, port congestions and lack of containers in different ports, animal diseases such as African Swine Fever (ASF) and Bird Flu hitting global herds as well as Philippine hog and chicken populations. All these put unprecedented strains on our supply chain.

Through these challenges, our business unit was able to continue and even reach record production output to meet the surge in demand. At the same time, we did this while keeping the people safe and healthy. This led to record topline, bottomline and market share results for the business unit.

As we continue living through the pandemic, important lessons have been learned – from supply management, building consumer connections in new ways, to strengthening health protocols for the team. These will serve the business unit and the Company well as the country and society come through the pandemic.

## Milk



Ronald M. Agoncillo Vice President & General Manager – Milk

2020 was another record breaking year for Milk, as we exceeded our targets and reached our highest ever annual revenues and profits. Our business almost quadrupled in just 4 years, hitting our largest market share for Birch Tree yet.

Birch Tree is the fastest-growing brand in the category and is now part of the country's top 3 highest selling SKUs across all food items in supermarkets and sarisari stores as awarded by AC Nielsen. Birch Tree Choco, which was just launched the prior year, took market leadership in the chocolate powdered milk segment.

With our mission of providing affordable milk nutrition, we launched another innovation that made immediate market share gains. Birch Tree Adult Boost is a high-quality and affordable option for strengthening the immunity to help in this COVID-19 pandemic.

While we are seeing higher costs of raw materials and a more challenging global supply chain, the milk industry continues to be an attractive market.

Amidst this new terrain, strategies are in place to create value and effectively navigate the business as we continue with our vision of providing high-quality dairy products that will challenge and improve the way consumers eat, drink and live.

## Tuna OEM



**Teddy C. Kho**Vice President & General Manager – Tuna OEM

Amidst various lockdown and social distancing measures implemented globally in 2020, food service demand collapsed to only a fraction of pre-COVID level. This black swan event challenged our ability to achieve our sales target, with majority of our customers belonging to the food service category. Nevertheless, our effort to focus on retail and frozen loins products allowed our sales volume to end flat versus 2019.

Our sales team was likewise affected by operational challenges, as travel restrictions deprived them of the usual visit to our customers. Nonetheless, we were able to keep all our customers and even developed new ones through regular virtual meetings.

Moving forward, while we do not expect food service to immediately return to normal, our shift in focus will propel us to achieve our growth targets this 2021.

## **Coconut OEM**



#### Noel Anthony M. Tempongko, Jr.

Vice President & General Manager - Coconut OEM

Last year was a true test of character of our team and the robustness of our supply chain. Our key managers opted to be in the factory in General Santos than be quarantined in their homes in Luzon. We quickly implemented protocols to protect our workforce through a holistic campaign on COVID-19 prevention and supplied care packages and shuttle buses. We successfully kept our supply lines unhampered and operated nonstop throughout the year.

We also made strategic moves to ensure growth, profitability and sustainability of the business. We are expanding our capacities, backed by successfully clinched extended and expanded multi-year contracts with Vita Coco and the Linaco Group of Malaysia. These assure our employees and farmers of continued opportunities in the future.

We took our first steps towards carbon neutrality by committing to provide our farmers 100,000 higher-yielding coconut seedlings for free for the next five years. This will not only help farmers' incomes but also sequester carbon dioxide from the environment.

Coco Mama Fresh Gata (fresh coconut milk) continues to be well-received by the market as an authentic, convenient, safe and affordable culinary solution for in-home cooking. We expanded our production capacity to more than double to be able to serve this hugely successful product.

## <u>Refrigerated Food</u>



#### Marie Nicolette Dizon

Vice President & General Manager - Refrigerated Products

The year 2020 was a milestone year for PMCI. Achieving the business turnaround amid challenging market conditions is the culmination of efforts to restructure the business towards sustainable, profitable growth.

As we begin a new chapter in our growth story, now as part of CNPF, we aim to expand the group's footprint by gaining consumers in the frozen and other temperature-controlled categories. This 2021, growth will be propelled by a dynamic innovation pipeline driven by the democratization of premium experiences, expansion in private labels and food service, and the entry into segments beyond processed meats.

We acknowledge shifting consumer preferences and evolving needs, and recent introductions like our range of plant-based meat alternatives —unMEAT— support the company's desire to be inclusive and adaptive in how we fulfill our nourish and delight ambitions. Our continued work growing the share of sales for products with no artificial colors and no preservatives added is anchored on the conviction that better-for-you products provide a pathway to better sales, profits, and consumer preference. In parallel, driving operational excellence and having a team mindset of continuous improvement will allow us to support competitive advantage activities.



#### Health and Safety amidst the COVID-19 Pandemic

2020 witnessed unprecedented times as the whole world persisted in a battle against COVID-19. In the case of Century Pacific — at the onset of this pandemic — we immediately recognized that the health, safety, and financial protection of our workforce was paramount.

We implemented enhanced security and safety protocols across all our worksites to ensure the health and well-being of all our employees. To address mobility restrictions and the lack of public transportation during the enhanced community quarantine, we also provided free shuttles, accommodation, and meals as needed. We also deployed various financial assistance programs to ensure the financial well-being of our employees, which included frontliner incentives, free food products, as well as vitamins. We also partnered with a leading healthcare provider in the country to help us with the long-term adoption of occupational safety and health measures. These include refurbishment of all our offices and various facilities in ways that will help limit the impact of the virus, and provision of a telemedicine hotline service for our employees to access telephone-based medical consultation, diagnostic testing, and monitoring of their conditions on an as needed basis.

Today, we are in the midst of implementing a vaccination program that will vaccinate all our employees against COVID-19 by the second half of 2021.

### Our Employees — the Company's Heart and Soul

Truly our number one asset are the men and women who work day in and day out — those in our plants, on the field, and in head office — who have taken all these necessary precautions to heart and have exemplified the personal responsibility necessary to help ensure that they — alongside all those around them — remain as healthy and safe as possible.

2020 has been unprecedented as we implemented all these new procedures, while at the same time, addressed heightened demand for our products amidst the logistical and operational challenges of the lockdown.

All our teams have nonetheless risen to the occasion — moving quickly and decisively amidst the various obstacles and the unexpected surge in demand.

Teamwork was evident as we sustained the movement of materials, helped our plant employees get to work, and ensured continued financial and information systems to support all our critical operations.

We are most thankful for our own Century frontliners, who braved to work tirelessly, day in and day out — in spite of the threat of the virus, especially early into the lockdown when the rest of us were sheltering in place.

Some of them had to endure numerous checkpoints to get to work. Others chose to stay onsite, away from their family and loved ones — all of these while complying faithfully to strict and exacting health and safety protocols.

These are true demonstrations of our core value of malasakit, which now, more than ever, is a hallmark of what it means to be part of Century.

#### What was once a Job, now a Mission

All the efforts and sacrifices of our team were made to fulfill one key purpose— to ensure the continued supply of our products, during times when people need them the most. This is a key role and responsibility this company has to the nation.

Now, more than ever, our purpose — to nourish and delight, everyone and everyday — takes on a greater meaning. We remain committed to this mission — ensuring continuous supply of our products and helping make available and accessible affordable nutrition to Filipino households.

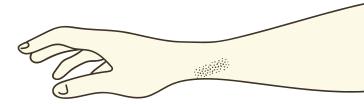


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Today, many of our products continue to be in high demand. Our core products comprise 3 out of 6, or 50%, of the essential food items list identified by the Department of Social Welfare.

We continue to work tirelessly to put into place all the necessary processes and procedures to ensure that these products are readily available.





#### **Ensuring Business Continuity**

For many months now, we have diligently been putting into place measures to ensure business continuity. These have allowed us to mitigate supply chain disruptions, accelerate production, and ensure we keep all our operations safe and virus free.

With respect to the supply chain, we have taken measures to mitigate potential disruptions, putting alternative suppliers into place.

The potential for disruption also cuts across a wider business ecosystem – including our suppliers and trade distributors — whom we have maintained close communication and alignment with — ensuring that they too are able to run their businesses as normally as possible.

We have also increased our logistics capabilities to ensure we address growing demand, and maintain a decent customer service level amidst the unexpected surge in sales.

We are likewise in continued coordination with the government, through the Department of Trade and Industry as well as the Inter Agency Task Force, to maintain a smooth flow of goods.

On the production side, we have accelerated previously plotted expansion plans to help meet the heightened demand. Our new tuna plant in General Santos was commissioned last March 2020, helping increase much needed supply of our canned tuna products.

We are also in the midst of expanding our meat facility in Laguna and coconut facility in General Santos.

We likewise hired additional personnel, such as merchandisers and warehousing staff. Lastly, we continue to automate and declog production bottlenecks to further support the business.

#### A Period of Transformation

Though we are still in the middle of the pandemic and ultimate victory is not yet in sight, we are grateful to be afforded the luxury of looking beyond the short term, preparing for what lies further ahead — in light of the new and upcoming decade.

During our IPO in 2014, we committed to grow the business by 10 to 15% a year over a 10-year period, effectively doubling our size every five years. Five years later, we look back at our track record as a publicly traded company that had fortunately taken place against a fairly positive economic backdrop.

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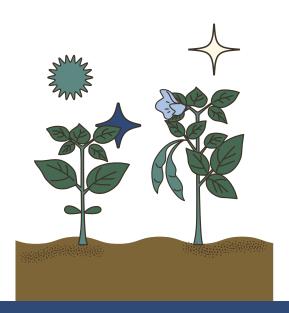
This is more than double the growth rate of the Philippine economy, which fared quite well — at an average GDP growth of more than 6%.

Our net income growth also tracked the topline, with a compounded annual growth of 15%, expanding from PHP1.6 billion to PHP3.1 billion in five years.

During this period, the business grew at a robust yet sustainable pace — allowing us to strike a balance between short-term profitability and longer term business indicators such as market share, distribution breadth and depth, as well as new product pipeline.

At the same time, the business portfolio was strengthened by our diversification strategy into new and exciting categories, setting up the Company for future growth.

We can certainly look back to these past five years as a period of transformation and positive momentum for our company, thanks to our team's hard work and of course—the many divine blessings that have come our way.



#### The Ambition

Today, we are entering both a new decade and a new five-year growth cycle well positioned to sustain this positive momentum — and we as a team are highly motivated to continue delivering similar results.

We look forward to once again doubling our business over the next 5 years — sustaining growth of 10 -15% compounded annually, in both our top AND bottom line.

This ambition will be grounded on the following strategic priorities that are meant to strengthen our various platforms of growth.

Many of these remain largely the same, as what had worked for us before, building on what we believe are your company's key strengths and assets.

We will continue to emphasize the CORE branded businesses in the Philippines, where we believe there is still a long runway to increase consumption per capita, grow market size, and increase our market shares.

We will also further build a more DIVERSIFIED portfolio to continue strengthening our base, and immunize our business from volatilities in specific commodities.

Lastly, we look to INNOVATE, both within existing businesses as well as other potentially adjacent categories, as we leverage on our manufacturing, marketing, and distribution capabilities – increasing our so-called share of the Filipino stomach.

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#### Growth and Sustainability - In Good Times and In Bad

The resilience of our business and our suite of products allow us to pursue these strategies amidst varying degrees of economic conditions— including the more challenging ones like what we are experiencing today.

It is a unique feature of our business that we are able to do well in both good times, as well as more challenging ones.

In good times, we aim to consistently grow 2x GDP. But, during more challenging periods, we can even outperform given the staples nature of our products. Again, we have much to be thankful for and find ourselves well positioned amidst this crisis, which puts us in a good place to THRIVE and GROW as we look beyond this crisis.

Last but not least, we are also again in a unique position to continue to pursue our SUSTAINABILITY strategy amidst the current environment.

Looking beyond near-term cash flows, or even our fiveyear growth ambition, we believe that sustainability and the ability to balance the needs of all our stakeholders our people, planet, community, as well as our profits are essential to long-term value creation.

We are now in the process of embedding into our ways of doing business a sustainability framework along the themes of Protein delivery, Planet preservation and People development.

We are inspired by the idea that running our business also means supplying much needed protein to a nutrition-challenged nation. We are also energized by the fact that our business activities have created livelihood — supporting more than 14,000 jobs, much needed in today's environment.

For the Planet, we are most proud of the fact that we have been led in the area of "plastic neutrality" in the Philippines. By 2028, our coconut subsidiary can also claim to be "carbon neutral" as well.

We believe that sustainability— whether it is coming up with healthier products, taking care of our people and our communities, or being good stewards of our resources— is essential to our longevity as a company.

Our commitment to being a responsible business will change the complexion and character of our business POSITIVELY and PERMANENTLY into the future.



# <u> UP CLOSE: Daisy Engle, AVP - Corporate Research and Development</u>



Having been with CNPF for more than 15 years, Daisy shares her views on the transformations taking place in the company and what she values most as part of the Century family.

#### Please tell us about your professional career.

I have a bachelor's degree in Chemistry. I was only 19 when I graduated, and to be a chemist, a respectable chemist, you need a license but I could not have my license then because I was under 21 years old. After graduating from college, I taught for a year and then was enticed by a friend to go into food science. I enrolled for a masters degree in Food Science in University of the Philippines Los Banos, but I still have to complete my thesis for that. So I have food science masteral units but my focus in food science was more on food chemistry.

When I was in food chemistry, I felt it was a very nice field because it's not only about the food that you eat but also how food works in your body. There's food biochemistry that talks about how the food interacts with the body, metabolism, and all that.

# Can you tell us about some of your early career highlights?

I was in the meat processing industry in 1989 and even during that time, Filipinos wanted value for money, or more specifically, they wanted products that had good value but at a cheaper price. But even during the early 90s, meat was a very expensive source of protein compared to plant-based sources. That is why even before plant-based protein became big in our industry, I was already working on plant-based protein products in the 1990s.

After that, I joined an ingredients company. That was where I was not just only exposed to the meat processing industry but also to other food lines. When I was there, CNPF was my biggest customer. That was the time when the Company started the canned meat plant. I was there from the start of Argentina Corned Beef.

When I left that company, I went into consultancy—I was a consultant for short term projects with various ingredient suppliers for about four years before the opportunity to join CNPF came. Ted, our current CEO, asked me if I would like to join Century since the R&D manager had left the company.

#### When did you join Century?

I joined Century in 2004, officially. When Ted called me to join, I was a bit hesitant. I told him that I felt I was not used to having a full time job anymore. But after 16 years with Century, I can say that hesitation was unfounded after all. Ever since I joined, I had been handling R&D. But our R&D grew bigger and bigger through time because the company grew as well, with a lot of new products.

# How do you approach product development and innovation overall?

Usually in new products, identification of what product to develop is marketing driven. So, people from marketing would identify a product they want us to develop. The role of R&D there is how would we develop the product to meet the attributes or quality that marketing wants it to be, at the most economical formulation – while utilizing the simplest process.

We meet with suppliers, or external consultants, to know how more. During these meetings, our motto is talk less, and listen more.

We also have linkages with the academe and the other government agencies that help the industry like the Department of Science and Technology (DOST) and the Food and Nutrition Research Institute (FNRI).



You take in all of the information and then that's how you usually come up with something. But how do you know if a product is going to be a hit? What would make one idea more exciting than the other for you, or are they all equally exciting?

There's an excitement on the side of R & D for new technology. If the product gets to the market and sales are very good, then that's when we would know that it's a hit. But we only feel that after it is introduced to sales.

We changed our vision statement a few years ago. We included the term healthier beverages, because we used to be focused on food. We also included the word sustainable. How do you see these shifts affecting R&D? What is R&D's role in supporting our new vision?

D: R&D is centralized for the total company. It is good because we are able to get involved across different products and support the various nutritive elements needed in the total nutrition profile for our customers.

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Ultimately, we need to look at the total requirements of the individual and now that Century is becoming more diversified, we are able to meet more and more of the nutritional needs.

# Specifically in 2020, what are some of the key highlights for you?

Definitely it is that we had a lot of new product developments and we had to do most of the work from home. I'm very proud of my team that we are able to work on product development activities even if we are not in the same place. We were able to establish a process to do product evaluation remotely.

There were also some materials or ingredients that were not shipped or delivered to us at the target delivery dates because of the lockdowns. At R&D, we had to see what alternate ingredients we could use instead.

During the lockdown, that's also when we started with our succession training program. The first phase of that initiative which we've started is technical competency training, focused on food formulators.

# What trends do you see in the food space in 2021, and even moving forward?

We have short term and long term activities. Short term would be to address, because of this pandemic, immunity and affordability since many people have lost their jobs. These are two big themes for us.

For the long term, it would be sustainability from a profit or business standpoint. It should not only be planet friendly, but also cost friendly. We should think about whether a product will be cost friendly not only this year but also next year and the next.

## Seeing the evolution of the company, and having an idea where it's going, what excites you most nowadays in CNPF?

What excites me is the speed by which we diversify. That is why I am really beefing up our group so that we are able to catch up with the speed by which CNPF is going. Thankfully, Chris has been approving all my requests for additional people in the R&D! So it really shows priority, they know it is critical.

# As a final note, what do you like most about working in CNPF? You've stayed on since early 2000s, what's made you stay this long?

The culture. Even from the very start, I have not worked in any multinational company so it was mostly family-owned companies. That's the culture my body is adapted to. I like that kind of culture.

The other reason is our leaders, very down to earth. I like that they think about the base of the pyramid. Perhaps it was introduced by Tatay, Mr Ricardo S Po, Sr - but that is also very apparent among all the children. And because of that, deep inside me, I would like to do a lot for the base of the pyramid, too. This is more than just a job to me.



# UP CLOSE: Honelet Sayas, AVP - Corporate Quality Assurance



Driving quality standards across CNPF products, the Corporate Quality Assurance (QA) team is headed by a lady who has spent 20 years in the Company and continues to look forward to the strides it will take as an industry leader. Honey opens up on her sense of pride for the contributions of her team amid a changing global landscape.

#### Please tell us a bit about yourself and your career with CNPF.

I am a food technologist by profession. I've been with two other companies doing research and development before I joined Century Pacific in March 2001. The tuna factory was in Taguig when I joined the company and I started in QA. Later on, I joined the startup team that set up the local tuna plant in General Santos (GenSan), which was doing only export back then.

After the plant was set up in GenSan, I joined the Corporate Quality Assurance team as the corporate quality auditor. After five years, I became the

department manager and after another nine years, I was appointed as assistant vice president for quality assurance. For the past five years, I have been handling supply chain for global, concurrent to my QA position. In total, I have been with Century for twenty years now.

#### What is your department's role in the Company?

As the Corporate Quality Assurance team, we make sure that each business unit complies with local and international food safety standards. My team handles quality audit, laboratory testing, packaging development, technical training, as well as customer complaints handling.

On the supply chain side of the global brands, we handle local and international toll manufacturing operations. With the help of our corporate departments, such as R&D and procurement, we qualify suppliers to make sure that these toll manufacturers deliver our products according to our specifications.

Internal audit is also a requirement for our buyers where we conduct audits in our suppliers' plants, warehouses and, sometimes, we also do product audits where we gather products from trade to make sure the products are in compliance with our standards. To make sure that the manufacturing side maintains the standard, we evaluate the products to see, for example, is it too salty? Is the spiciness level consistent? We also have to measure all those to make sure they meet the standards.

#### How do you approach food safety overall?

Food safety is a must from the very start. Management has always been on our side in prioritizing food safety and quality. There are no shortcuts in food safety as there should be strict implementation of the protocols. I must say that we have a strong quality system in place in each factory. We even have

external third party recognition for this quality and we have international accreditation on food safety management system, which is a big plus when you sell the products abroad.

# Did anything change given the pandemic with regard to food safety?

Yes, it has become stricter. Customers are now demanding more analysis, more control, and even the way we are audited has become more rigid. There are third party certifications or our buyers abroad audit us themselves. Right now, because of the pandemic, most of the audits are done virtually. A strong internet connection is very important. If they want to tour the plant, we bring a camera around and show them the areas they want to see. Most countries are now implementing new sets of rules and some restrictions have also changed. Although the principle is really still food safety, they are requiring more proof and certification right now.

# How big a role does direct engagement with consumers play in doing your job well?

We deeply value customer feedback since we handle customer complaints. From these complaints, we can evaluate or can correct our process like for example, a feedback on the packaging where customers don't want the lid anymore, they want an easy open can. Feedback makes us realize that we need to improve features like this, and even the taste.



# How are you supporting the Company's overall growth ambition?

We're a service department. The company is continuously growing and evolving so there are a lot of projects, new businesses, and new products being developed. As head of quality assurance, we make sure that we comply with national and international food safety standards. That being our core function, we make sure that we provide technical support that is needed by the business units.

In exporting a product, we should be able to comply with regulations of each country because they are different from one another. We should also be able to comply with labelling and packaging requirements. The core function is food safety but we have to adjust to what is required.

# Could you talk specifically about your key deliverables in 2020, and how would you assess your performance?

I believe we were challenged more on the supply chain in 2020. Because I'm handling supply chain for global, there was suddenly high demand but all the suppliers decreased their output, because they were hard hit by COVID-19. Thankfully, there were no such problems here in the Philippines. My team would even sleep in the lab because there was a quarantine and they were not allowed to travel or commute.

But right now, it's much better, and fortunately the whole team is there to support. For 2020, I can say we did well, despite the pandemic, because the support of the company has always been there for us. It continues to provide everything we need to make sure that the operations are running well.

## What food safety trends do you see for 2021?

With the pandemic now, food safety standards are becoming more stringent. The hazard analysis critical control point (HACCP) is already mandatory. It is an international standard you conform with so if you have that, it is okay with the buyer. We can see that now from our buyers abroad where they require third party certifications.

Transparency is also a big thing so the consumers want everything declared on the label. So now our buyers abroad are requiring a lot of laboratory analysis which they didn't require of us in the past. The market is more sensitive, so more documents are required. They want to know each component of the ingredient, the source of each ingredient, how the ingredients are prepared, how the process is made, there are even ethical concerns. But this is an opportunity for us, because our process complies with all the standards.

One more thing is sustainability. It's a trend that will continue in 2021 among many industries where the product, ingredients, and packaging must be sustainable. We have a new project, where aside from packaging sustainability, we are also promoting sustainability in the ingredients.

# What excites you the most in the progress and development of CNPF moving forward?

For me it is exciting to be able to provide safe and quality products to our customers, not only here in the Philippines but also globally. It makes me proud to see our products on shelves abroad. Through export, we are bringing the taste of our home to our *kababayans*.

#### What do you like most about working in CNPF?

What I like most is the support of the management. The support is always there. It provides the opportunity to grow. I joined as a quality control supervisor, and now I am AVP for quality assurance and I just love what I am doing. I love the people that I work with, the bosses are really an inspiration. They make me take on challenging opportunities as I grow with the company.



# UP CLOSE: Ray Guinoo, Milk Marketing Director



With various stints in several multinational companies across industries, Ray underscores the strengths of an entrepreneurial culture that pervades in CNPF, which sets the Company apart from other organizations.

#### Tell us about yourself and your career.

I handle milk in Century for two years now. Before that, I was with Globe for five years, Unilever for 11 years and with Ford for two years. All jobs were mostly under marketing, but I had a 2-year stint under sales for Unilever wherein I handled key accounts. I've worked in the Philippines, Malaysia and Singapore. You can say that my career is a mix of local Philippine and regional consumer marketing.

#### What are you responsible for in the Company?

I handle a couple brands under Milk: Birch Tree and Angel. Angel is a canned milk line, and it's culinary milk so it's an ingredient. So what we saw was that there were a lot of changes in consumer behavior due to the pandemic. During the summer, traditionally

when the demand was high because of all the street vendors who sell products like halo-halo, the demand was really low because of lockdown. In Q3 and Q4 it started going back up. We had to do a lot of online surveys to find out the change in consumer behavior in terms of usage of our product.

Birch Tree is powdered milk and it makes up the majority of the business right now for milk. Powdered milk is one of the biggest categories in the food industry in FMCG. 90% of all households have or use powdered milk in their pantry. Here, we have around 20+% share.

#### How do you approach marketing and brand building overall?

It always needs to start with our consumers and finding out how to serve them better. The magic happens when the brand is able to match its offerings, at great value to the consumer, satisfying both rational and subliminal needs. The power of a brand lies in fulfilling both the logical and the emotional needs, delivered consistently over time. In many ways it's like any long term relationship or marriage! It is built by investing in service and care for years and years.

#### What about product development and innovation?

It's a lot of scanning the market. Just really looking at a couple of things, one of them being the size of the market and how it's growing, whether it's trending up or down. Some of them you can readily see by just going out and looking at the marketplace and looking at the different brands that are available in the different channels. A lot of it is also talking to our customers because they know firsthand what's working, what's growing and what's not.

We also have to look internally because there's complexity involved. The complexity of being able to produce or the capability to source these products, and the complexity of entering and competing in that market on a marketing and sales perspective. We

make those choices as a team, so we get together with our enabling teams: manufacturing, finance, R&D, sales, marketing and of course the owners of the company. We do that on a regular basis because the terrain is changing and those bubbles move around that matrix all the time due to certain conditions.

# What do you think is the biggest reason for why the Birch Tree brand resonated strongly with consumers?

Birch Tree is not exactly a new brand. In the 80's, it was already in the market, and it was quite the established brand. It sort of disappeared for about 20 years until Century decided to try to capitalize on expanding into powdered milk.

How did we drive the market share? Traditionally, the way to do it is to offer a great product at great value that people can access. In milk you have to build your brand around nutrition because that's what mothers want in their milk for their families. The other thing that they want is for their milk to taste good, or else no one would drink it.

On product, we're also looking at how we can make sure that we are always on par with our competition. We've also launched new flavors. In 2019, we launched Birch Tree Choco, and we were actually able to get market leadership in the choco market in just 7 months. The things that allowed us to gain market share are: the product, the pricing, the availability, being able to act like a very suitable substitute to the market leader and the launch of new variants.





# What excites you the most in the progress and development of CNPF moving forward?

I think what's different with Century, more specifically the milk brand, is that we're still building up the brand. We are the challengers now to brands that have been around for generations. I wanted to be in for the ride of the rise or the experience of having to build something from its early days. It's quite a new experience going against well-established brands in a new field. We really have to be fast and to have that ability to adapt to the new needs of a quickly growing business. For example, in the past couple of years we had to expand our capacity twice to really cope with the demand for Birch Tree.

# How are you supporting the Company's overall growth ambition?

A lot of that is built on making sure that the Birch Tree brand and the Angel brand have a very strong foundation because that is what we're going to build on. We're going to expand into categories, adjacent categories in milk that you know are the logical next steps for a brand like Birch Tree and Angel. So innovation, and I guess grabbing the opportunities that the brand can expand into is going to be crucial for that ambition – the growth ambition.

There is still a lot of room to grow in both powdered milk and canned milk, in terms of geographies, customers, and channels in the landscape. Building up our availability and service level to our trade partners and customers, as well as adapting to new needs and addressing the new gaps that come up especially with the time like now. These are the main growth pillars – building the base, strengthening the brand and of course, innovating in adjacent categories in milk.

#### What new consumer trends do you see in 2021?

2021 is Year-2 of the pandemic. I think people are going to start to experiment and try to see how they can slowly live with this virus and I think it's going to be a mix of the extreme of being locked down in your house versus pre-pandemic conditions. By far, it will still be towards the side of safety and demand will probably crawl its way back up and it's going to take a while for the economy to bounce back but for our categories. I think it means a lot of search for healthier products, a lot of choosing which pack sizes are the most efficient.

I think brand trust will still be there so it's important to keep visible and keep the quality and value proposition of your products. At the same time, be there for the availability to consumers and build the brand towards the direction we want to go.

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These are the main growth pillars - building the base, strengthening the brand and of course, innovating in adjacent categories in milk.

#### What do you like most about working in CNPF?

Working in Century is never boring because of the way the company is set up. We're very close to the decision makers, the owners, all the way down across the organization. We've built the company in such a way that we get a loopback of information that we can act upon quite quickly. I think that's a strength we want to keep as we get bigger.

It's really for the brave and it's an exciting kind of environment where innovations and ideas can come from anywhere. Everyone in the organization needs to be on top of their game because you wouldn't do that kind of dynamic work style if you don't have all the information, all the skill set, and all the coordination on hand.



# **Emerging Consumer Trends**

With vaccines in sight, the Philippines continues its battle against COVID-19 and the challenge is immense. Across the globe, the spread of the virus continues to cause disease, death and disruption. Like many other companies, CNPF did not only have to deal with the pandemic's short term implications but also had to step back and reevaluate existing strategies and business models and check if these would persist as the world safely transitions toward a "new normal."

Considering that 3 out of 6, or 50%, of the essential food items identified by the Department of Social Welfare consist of products served by CNPF, it became critical that necessary processes and procedures were put in place to ensure that our products were available and accessible, especially to those who needed them the most.

While much uncertainty remains about the current economic situation and how this will affect consumer demand, the Company remains hopeful about the prospects post-crisis by looking beyond the short term and preparing for what lies further ahead. Management believes that CNPF is well positioned to benefit from the aftermath of the ongoing pandemic.

Apart from being tagged as key critical household items, CNPF's products are seeing heightened demand amidst the ongoing economic uncertainty, alongside various emerging trends. The pandemic has brought about increased consciousness over health and safety among people and many consumers are now spending more time at home compared to pre-COVID times. Such changes have also shifted consumer values and priorities that drive them to gravitate towards brands that are safe, trusted, value-for-money, and promoters of health and wellness themes.

## **Cooking at Home**



Amid the pandemic, changes are happening in the homes. Stories of resiliency abound and the creative Filipino spirit has never been more pronounced. Many Filipino families have "rediscovered" the joys of spending time at home while fighting the pangs of uncertainty of a lockdown.

Undeniably, the fear of the virus persists, especially among the elderly and the vulnerable, but the closely-knit Filipino family members have found strength from each other by engaging in productive activities that celebrate their common love for food. Countless Filipinos have rolled up their sleeves and taken to the kitchen to

prepare not only their favorites but also some of the most imaginative Instagramworthy dishes. Home cooking has become the best alternative to healthily survive a lockdown, and this trend bodes well for CNPF products in the medium term, as the bulk of our portfolio caters to in-home food consumption.

For the past year, the Company has been catering to this newfound need, or hobby, by actively using digital media to share recipes and how-to guides to consumers who are on the lookout for new and exciting dishes to serve at the dinner table.

## **Health & Safety**

Product health and safety will remain top of mind amongst consumers for the foreseeable future, given the fear and paranoia resulting from the virus. To this end, CNPF has been actively communicating the various added health benefits many our existing products have and why these nutritional features best address the needs of the more health conscious consumer.

From a safety standpoint, all of the Company's products undergo ultra-high heat processes and/or strict quality standards that ensure their relative safety compared to those that are bought fresh.



## **Digital**

Several months of lockdown have catapulted digital commerce from a mere niche usage to a mainstream must-have. Although still a small part of CNPF's business, the Company is pleasantly surprised by the reception and take up from these newly formed channels.

At the onset of the pandemic, CNPF successfully launched its own dedicated online stores in e-commerce platforms Lazada and Shopee. The latter has recently awarded the Company "Rookie of the Year" in 2020. Indeed, these channels provide CNPF the efficiency and agility to test the market for new products.



## **Trusted Brands**

Trusted brands and market leaders, including CNPF's own popular names, will continue to outperform competition. Against the backdrop of a pandemic, our products continue to deliver outstanding performances in the market. In Marine, we are the market leader with over 80% share of the tuna category, which was successfully built around Century Tuna's brand equity around health and wellness. Similarly for Meat, the strong value-for-money positioning for brands like Argentina drives CNPF's category leadership. In Milk, we have likewise solidified our #2 position, being the go-to value-for-money brand in the powdered milk category.



## Value for Money

As a result of the economic uncertainties brought about by the pandemic, "value for money" products will likely outperform others. A majority of CNPF's products, even the more premium part of the Company's portfolio, fall within this value for money segment.





# **Hear it from Our Consumers**

"I just wanted to extend my appreciation to Ma'am Arlene who assisted me on my query on the Kremdensada product that I purchased from a Shopee seller.

I did not expect anything in return or exchange to the products that I purchased online. As I only want to identify the authenticity of the products that I purchased online on the condition and looks of it.

But they did furthermore – they change more than 6cans that I got also they picked it up door to door. Thanks to the effort and nice approach of Ma'am Arlene and to her team very much appreciated!"



"I would like to commend your product, **Coco Mama.**. So far this is the closest to a natural coconut milk in the market. I've tried several foreign brands from Thailand, Indonesia, etc, and when we tried your local brand, never again we bought others. I hope you continue to maintain the quality (and quantity) of your product. Thank you as well for manufacturing local goods which helps our economy and provide jobs to our fellow Filipinos. Godbless your company."

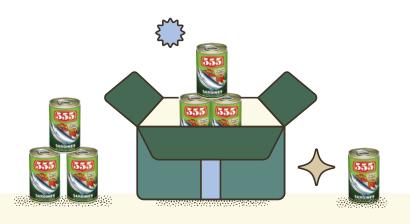








"Just received my **555 package** from **Ms. Donna.** I really didn't expect that I will receive any but I'm so happy 555 kept their promise. More power to 555, my favourite sardines. Stay safe. Thank you so much!"



"Just want to share with you my feedback regarding your Tuna Flakes in Oil (Fresca).

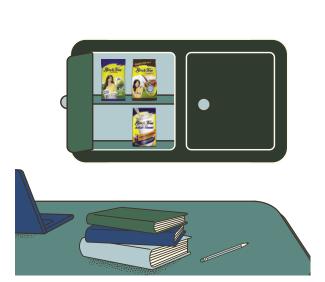
All I can say is, it's very delicious! Simple as that! <3 Our whole family likes it very much."



We have actively launched a variety of innovations across our various branded businesses, whether in core categories or emerging ones. These new products all share common themes around value-for-money, health and wellness, and product safety – trends that are becoming increasingly more relevant with today's consumers.

In our emerging branded category of milk, our flagship brand Birch Tree is now a formidable challenger with a market share of 23% in plain powdered milk. Since entering the category in early 2016, the brand saw stellar revenue growth of 38% compounded annually.

We have invested in the heritage Birch Tree brand and positioned it as a value-for-money offering in the large and high-growth powdered milk market in the country. The brand has also been recently named by Kantar as the Philippines' Fastest Growing Brand in the FMCG space and we look forward to building on this goodwill, utilizing the brand platform that we have now built. Most recently, the latest product under the flagship Birch Tree brand is Birch Tree Fortified Adult Boost.





This product addresses the preference of today's consumers for HEALTH AND WELLNESS, VALUE FOR MONEY, and a TRUSTED BRAND.

It aims to provide health and nutritional benefits – particularly for adults – to boost their immunity, which has become critical as more and more people are now starting to go out. More importantly, we offer all these at an affordable and value for money price. As a result, the product is seeing good traction across the various retail outlets where it has been rolled out.

Apart from growing our dairy business four-fold, we likewise entered the coconut segment in recent years and have aggressively diversified since.

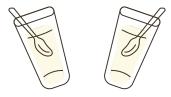
We've recently made the transition towards branded within this space, with the launch of Coco Mama Fresh Gata. This is our first major branded coconut product, since entering coconut manufacturing primarily for OEM exports. It has seen sales grow significantly amidst the quarantine period – up 4–5x versus our baseline target.

With the ongoing COVID-19 pandemic, many consumers are opting for this safer and more convenient packaged format, given the relative inaccessibility of fresh coconut in traditional wet markets.

Coco Mama also leverages on already existing capabilities – in manufacturing via our OEM export operations, as well as in marketing and distribution through our domestic retail operations.

We will continue to build on the product's high conversion rates to strengthen our long term brand equity, educate consumers about this new format, and grow the overall packaged coconut cream market in the Philippines where historically, consumption comes largely from fresh, instead of branded packaged formats.

With the significant increase in demand and low service levels, we are currently doubling our production line for the brand, which should be online by middle of next year.



# #MeetUnMEAT



UnMeat, the first plant-based meat alternative brand in the Philippines, is a valuable addition to our brand and product portfolio as more and more Filipinos become aware of and start embarking on healthier lifestyles.

One of the biggest concerns about plant-based food is that they are not delicious or as pleasing to the palate as real meat. We have however taken on that specific challenge, coming up with a meat alternative that unbelievably and undeniably looks, feels, and tastes like meat. Moreover, unMEAT uses simple ingredients and extracts the nutrients from real food rather than synthetic compounds so it's healthier and more affordable.

The brand is now being launched in the Philippines and in international markets, such as the USA, Singapore, China and the Middle East, giving consumers in many parts of the world access to tasty, healthy, and affordable 100% plant-based meat alternative. We also aim to take advantage of the rapidly expanding market by riding on its network of customers in 80 countries in both the branded and OEM spaces.

The unMEAT product line consists of meat-free burger patties, Hungarian sausages, nuggets, and minced meat, more commonly known locally as 'giniling'. All products are great sources of fiber and protein, and are free of cholesterol, trans fat, egg, and dairy. The supply chain for the product also requires lower consumption of various natural resources and generates less greenhouse gas emission compared to real meat.

Food and the Future: Emerging Technologies for Food Sustainability

First presented in Harvard Business School: Club of the Philippines

Good Afternoon Ladies and Gentlemen,

At Century Pacific Food, we consider ourselves a protein delivery company. We have been working with proteins since our company was born in 1978.

We started our corporate life 43 years ago as an OEM Contract Manufacturer and Exporter of Canned Tuna products based in the Philippines. Our main markets then were just the US, Germany, and the UK. Fortunately today, we now have both OEM and Branded Product presence in 80 countries and 5 continents.

We are also happy to be able to maintain our market leadership in the Philippines for tuna.

Today, we are the leading canned protein company domestically to include canned meats, beans, and canned milks. And we, apparently, are also the fastest growing milk company in the country today.

Over the last 40 years, we've been building brands mostly from the ground up. It only took my dad 5 years, and the forex crisis triggered by the assassination of Ninoy Aquino, to realize that the capabilities Century built as a low cost exporter to Western brands could be repurposed... to address the suddenly-short Philippine canned sardine market.

As a result, our first brand, 555 Sardines, was born. We haven't stopped building brands since then.

As our Philippine branded businesses grew to eclipse our legacy Tuna OEM Export business, we made a

conscious decision to stay in this industry because we believe that this business keeps us sharp and a cost conscious organization.

We also began serving our well-loved shelf-stable protein products to Filipino consumers who were not necessarily in the Philippines... our heroic Overseas Filipino Workers. Starting with the Middle East, we eventually followed most of them to 80 countries so far.

As mentioned earlier, we have an over 40 year track record as a preferred OEM toll packer/ supplier to the leading brands in the developed world - the US, Japan, UK.

A few years ago, we expanded into the Coconut Water OEM business, supplying the US.

As par for the course in the export business, we have become extremely familiar with global regulations, certifications, environmental concerns, tariff barriers, safety and quality audits, social accountability audits, and halal and kosher certifications.

In the last few years, we used the same low-cost strategies to effectively enter the drinking milk



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We are taking on the challenge to make Plant-Based eating accessible to more Filipinos! category domestically via our own brand. This has resulted in a significant reduction in the cost per serving, to the benefit of the Filipino consumer, expanding the market.

This is also what we will attempt to do for Plant Based. We are taking on the challenge to make Plant-Based eating accessible to more Filipinos!

Okay, that was the intro. Let's now dive straight into Plant Based. What is it?

Plant Based Meats are an Alternative to Animal Meat. Tofu is the most common example of Plant Based Meat Analogues, meaning it performs like meat, but is made from plant materials. Protein can also be extracted from micro algae or produced by special types of yeasts and other such micro-organic sources.

There is also Cultured Meat, Insect Protein – think mealworms for the pet lovers here – and Mycoprotein. But back to Tofu...In our 3 decades of experience with soy protein, we know that soy protein:

- is a complete protein and contains all the 9 amino acids needed by the body
- has meat-like texture
- is easily flavored
- has lower calories and saturated fat.

And increasingly, it is lower cost than meat. The major drivers of this latest plant-based meat cycle are: Health and Nutrition concerns as highlighted by the Covid Pandemic, Environmental/ Climate/ Resource concerns, and Animal welfare concerns.

The global Plant Based Meat business is currently estimated at up to \$20B and forecasted to grow at approximately 15%+ CAGR in the next 5 years. Interestingly, most Plant Based Meat products today sell

at a steep premium to their animal meat counterparts and some don't seem to deliver that well on taste performance. And this is where we come in – taking our 25 years of plant protein technology and nutrition science then applying it to this fast-growing market... And Voila...Meet UnMEAT!

We have benchmarked our products against the leading global brands and we believe that we are competitive. Beef Burgers, Pork Sausages, Chicken Nuggets and Pork Mince are our starting line-up of SKU's.

#### UnMeat is:

- High In Fiber (higher than animal meat), and
- Certainly Protein

#### It also has:

- No Preservatives,
- No Transfat,
- No Cholesterol.

And our aim is to price as close to animal meat as we can manage.

We also do our best to use as few and as familiar ingredients as possible. Because consumers these

days read labels more and appreciate simpler, cleaner ingredients lists.

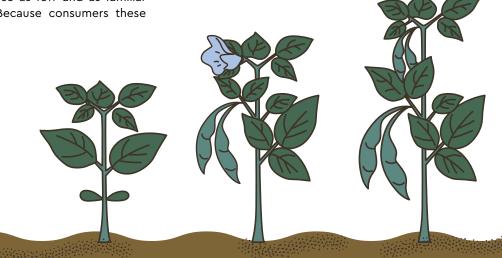
So finally our strategy to roll-out both domestically and globally is collaboration.

The task of building out a totally new category in the global food business is immense.

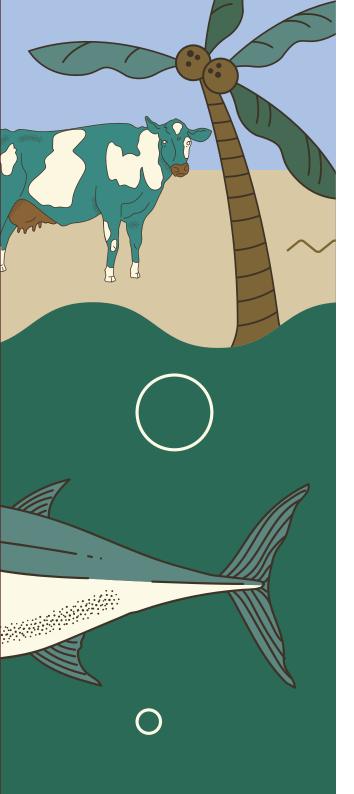
We doubt whether any single company can dominate, so good partners with complementary capabilities will be in demand.

Thank You.

Teodoro T. Po, President & CEO April 15, 2021







64	68	70	
Our Sustainability Focus	Creating Value Across Our Business	How We Engage	
7.4			
74	84	90	

98 108Planet PeoplePreservation Development



Having embraced sustainability as part of our Company's way of doing business, we further intensified our efforts, responsibly delivering our commitments to customers and consumers while working on areas for improvement that are important to various stakeholders of the Company. Our Sustainability Framework guides our initiatives as it identifies these focus areas and provides a roadmap for our sustainability activities.

## **Protein Delivery**





We commit to responsible manufacturing and development processes in providing sustainable, healthier, and affordable food products that address the nutritional needs of Filipinos as we aspire to become a Philippine leader in affordable nutrition.

Our Business Core = Affordable Nutrition

#### **Profit-Purpose Alignment**

- Product Affordability & Accessibility
- Product Development & Innovation
- Food Quality & Safety

#### **Healthier Products**

- Sodium Reduction
- · Calcium, Iron & Vitamin C Fortification

## **Planet Preservation**







We commit to the efficient use, reuse, and restoring of agriculture and fisheries resources, as well as better management of our environmental impacts by decreasing our water and energy consumption, lessening our greenhouse gas emissions, and actively monitoring our waste generation as we continue to grow our business and serve Filipinos.

#### Natural Resource Efficiency

- Freshwater Consumption Reduction
- Energy Consumption Reduction

#### **Environmental Impact Management**

- Greenhouse Gas Emission Reduction
- Plastic Neutrality
- Landfill Waste Reduction

#### **Supply Chain Management**

- Supplier Credibility
- Local Sourcing

#### **Tuna Sustainability**

## People Development









We commit to building a highly engaged, inclusive, and competitive workforce, as well as a workplace that provides equal opportunities, safeguards workforce well-being, and promotes professional and personal development, to support the Company's current and future strategies and its sustainable success. We also commit to reducing hunger in the communities we adopt via impactful access to nutrition through our products and the livelihood projects we support.

#### **Employees**

- Diversity & Inclusion
- Talent Development
- Employee Engagement
- Workplace Safety

#### Community

- Job Creation
- Nutrition Delivery
- Nutrition Education
- Livelihood Support

## **Good Governance**



The Company recognizes the importance of good governance to successfully progress in its sustainability journey and create greater value for shareholders. Good corporate governance must span across our entire value chain to ensure the organization operates along the lines of business ethics, complies with rules and regulations, and adheres to fair labor practices as we continue to fulfill our multiple economic, moral, legal, and social obligations towards our stakeholders.

## **Protein Delivery**

## **Planet Preservation**

## People Development

#### **Profit-Purpose Alignment**

#### Product Affordability & Accessibility

We focus on continuously improving our products' affordability and availability in various distribution channels, making our products ubiquitous and accessible to consumers.

#### Product Development & Innovation

We constantly pursue customer delight and continuous market study through modern research and development techniques to come up with winning products.

#### Food Quality & Safety

Product quality, that also focuses on consumer welfare, is a business aspect accounted for in all parts of our operations.

#### **Healthier Products**

#### Sodium Reduction

We continue to monitor certain product ingredients which may have unfavorable effects on the body when consumed beyond the optimal level, such as sodium and nitrite.

#### Calcium, Iron & Vitamin C Fortification

We aim for the ideal balance of preserving the taste and quality our consumers love vis-à-vis enhancing the overall nutritional value of our products.





#### **Natural Resource Efficiency**

We strive to improve our efficiency in utilizing natural resources by adopting industry best practices in energy and water management.

Freshwater Consumption Reduction Energy Consumption Reduction

#### **Environmental Impact Management**

#### Greenhouse Gas Emission Reduction

We manage our use of natural resources to control our impact on the environment, including the resulting greenhouse gas generated by the energy we utilize.

#### Plastic Neutrality

We are committed to 100% plastic neutrality (third-party verified) for the total business.

#### Landfill Waste Reduction

We explore ways to minimize our packaging and waste footprint.

#### **Supply Chain Management**

#### **Supplier Credibility**

We adhere to standards that ensure our materials are ethically sourced.

### Local Sourcing

We aim to source more materials locally via exploring contract farming and local processing.

#### **Tuna Sustainability**

We aspire to be a leader in tuna sustainability. We diligently comply with international regulations pertaining to conservation measures.

#### **Employees**

#### Diversity and Inclusion

We are committed to building a diverse and inclusive business that places a premium on skills and potential and does not discriminate based on ethnicity, religion, or gender.

#### Talent Development

We regard our employees as partners in growing the business. We invest considerably in promoting their professional and personal growth.

#### **Employee Engagement**

We continuously engage with our employees to ensure they are dedicated to their jobs and committed to the organization.

#### Workplace Safety

We are committed to ensuring the safety of our employees by protecting them from potential safety and health risks and hazards in the workplace.

#### Communities

#### Job Creation

Our growth around the country generates jobs for local communities.

#### Nutrition Delivery / Nutrition Education

We aim to address some of the Philippines' major socioeconomic problems such as hunger and malnutrition, lack of education, and environmental degradation.

#### Livelihood Support

We engage in community development and aim to create sustainable social impact.

Environmental, Social, and Governance (ESG) Policy

Century Pacific Food, Inc. (PSE: CNPF) is one of the largest branded food companies in the Philippines. We are primarily engaged in the manufacturing, marketing, and distribution of processed marine, meat, milk, and coconut products.

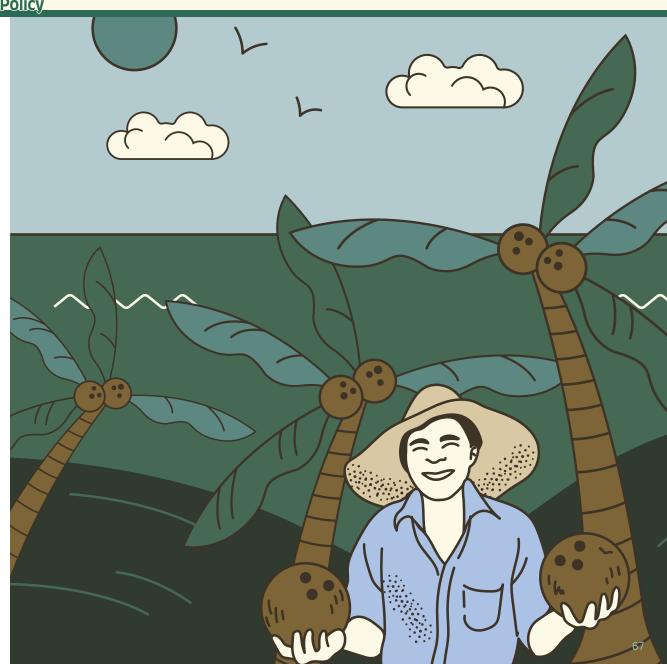
We are driven by our core purpose to nourish and delight everyone, everyday, everywhere through our responsible food business.

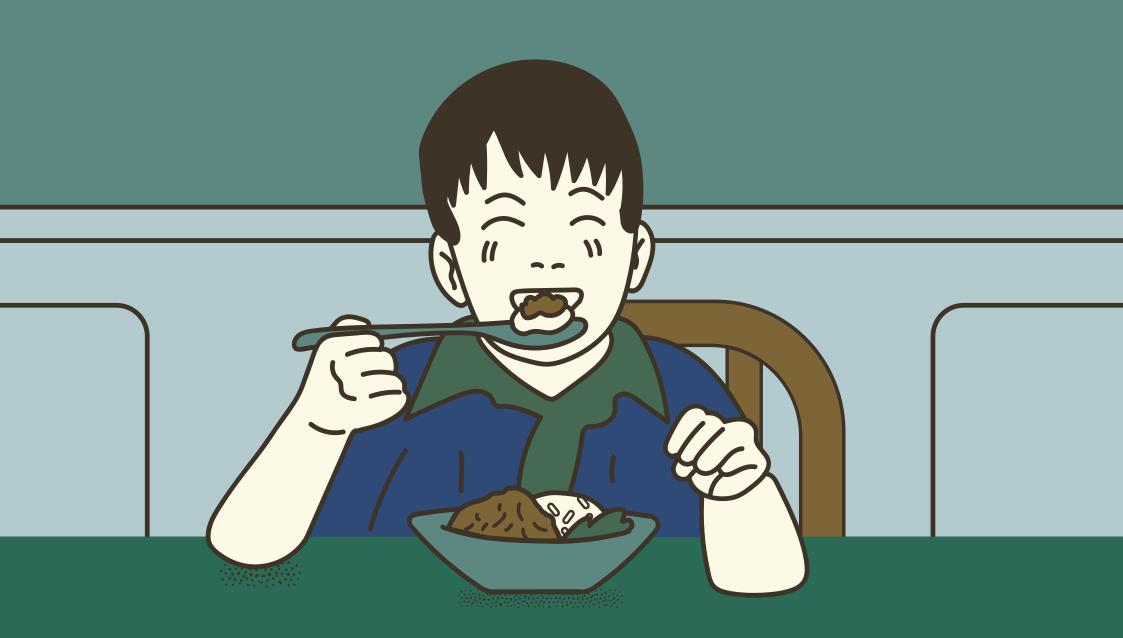
Our vision is to be a sustainable and responsible global company of entrepreneurs that nourishes and delights our customers with, healthier food and beverages through manufacturing excellence, nutrition expertise, trusted brands and passionate people.

As we seek to deliver more stakeholder value moving forward, we are working towards integrating environmental sustainability, social responsibility, and effective corporate governance into the different facets of our core business operations.

Our Sustainability Framework, which outlines our main pillars of Protein Delivery, Planet Preservation, and People Development, guides our initiatives as it identifies our focus areas and provides a roadmap for our sustainability activities.

Our Board of Directors will spearhead the organization in this endeavor through its Corporate Governance and Sustainability Committee, while identified members of Senior Management will lead the process of integrating sustainability into business operations with the support of the entire organization.





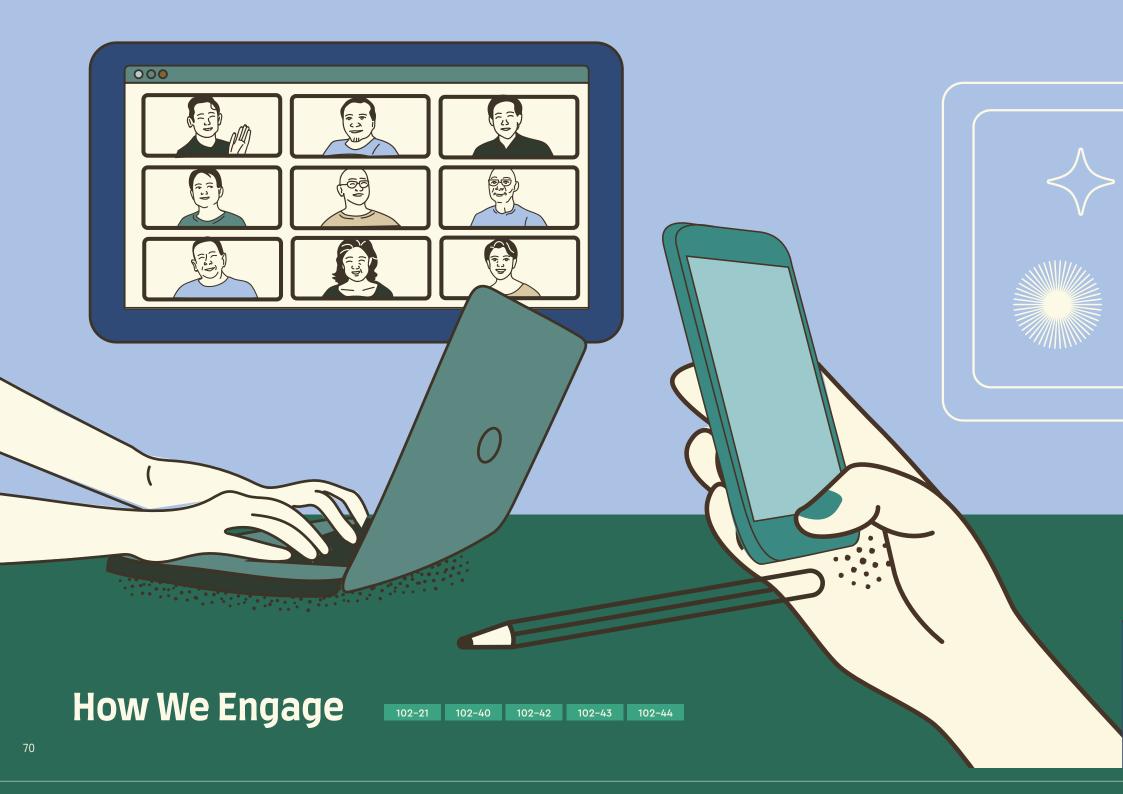
Creating Value Across Our Business

102-9

102-31

Our sustainability value chain map fleshes out how our sustainability focus areas are embedded throughout the Company's value chain. It guides various levels and departments on how to enhance sustainable processes as we seek to create value for the business and ultimately the consumer. It also effectively defines roles and accountability as we execute the various plans and programs.

	Research & <u>Development</u>	Sourcing	Manufacturing	Distribution	Customer	Consumer	
	Developing, reformulating, and testing new product recipes and formulations	Having strict assessment and accreditation for raw material suppliers to ensure food quality	Enforcing food quality and safety, as well as regulatory requirements in food manufacturing	Ensuring sufficient accessibility to reach the demand of partner retailers in a timely and efficient manner	Maintaining a wide network of local and international business partners to reach several markets	Engaging consumers to gain feedback for continuous improvement of product quality and consumer satisfaction	
			Value Creation &	Economic Flows			
	Healthier Products					Healthier Products	
	Product Affordability & A	·					
Protein	Product Development & Food Quality & Safety	Innovation					
Pro	Food Quality & Safety						
• • • • • • • • •		• • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • •	• • • •
	Supply Chain Manageme						
	ţ.	Raw Materials Traceability	Natural Resource Efficiency	,			
et	ervation	Environmental Impact Ma	<u> </u>	<del>/</del>			
Planet	Pres	Tuna Sustainability	<u> </u>				
	_						
	Diversity & Inclusion						••••
	Talent Development						
	Workplace Safety						
<u>ə</u>	Employee Engagemen	t					
People	De.	Community Development					
		• • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • • • • • •		• • • • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • •	
	Business Ethics & Com	pliance					
_	Labor Practices						
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## <u>Suppliers</u>

#### **Channels of Engagement**

- Consumer touch points (phone, email, website, social media channels, regular field work, and trade show activities)
- Regular internal satisfaction surveys
- Research with third-party agencies

#### Concerns

- · Product quality
- · Product accessibility
- Packaging issues
- Environmental and social impact of products

#### **How We Address Them**

- Timely resolution of customer complaints
- Tighter partnerships with retailers and customers
- Ongoing messaging set-up in social media for faster response to customer complaints
- Product briefings, seminars, and workshops for staff
- · Corporate sustainability initiatives

#### Channels of Engagement

- Customer touch points (branches, personnel, phone, email, website, and social media channels)
- Regular site visits to existing retailers and participation in events such as conventions, new store opening, and in-store promotions
- Joint business reviews and planning

#### Concerns

- Quality of products (dented products)
- Reliability and timeliness of product deliveries
- Convenience of sales process and billing concerns

#### How We Address Them

- Timely resolution of complaints and regular feedback
- Continuous monitoring and upgrade of systems and processes
- Alignment of activation plans, budget, and promo effectiveness
- Product briefings, seminars and workshops for staff

# ME V DO

#### **Channels of Engagement**

- Communication lines (phone, e-mail, meetings, and business reviews)
- Supplier accreditation process on eProc
- Delivery schedules
- Order placement/PO issuance
- Request for quotations/proposal/bidding information
- Receiving of deliveries

#### Concerns

- Issues with bidding through eProc portal
- Inefficiencies of the system (late delivery advice, sudden changes on the schedule, quantities and location, out of lead-time orders)
- Late posting of receiving report (RR) resulting in payment concerns
- Late payment release and unreconciled accounts

#### How We Address Them

- Coordination with IT and service provider on speed and performance optimization of eProc portal, and reactivation of vendor training program
- Management of vendors' expectations by advising ahead of time of the long queue
- One-time and accurate payment processing and release, and assistance to suppliers regarding accounts payable reconciliation
- Proper material planning, close inventory monitoring, and cross-functional discussions with top management





## Investors & Shareholders

## Government

#### **Channels of Engagement**

- Online communication through learning portal, email blasts, newsletters, and social media
- Individual and group engagements (performance reviews, engagement surveys, and focus group discussions)
- Official company events (town hall meetings, planning, and trainings)
- Team building activities (summer outings, Christmas parties, special wellness events and sports activities)

#### Concerns

- Strategy and direction of the company
- Employee salaries and benefits, variable pay, and other financial assistance
- Career development and growth (programs, succession plans, opportunity for external training, rewards and recognition)
- Company culture and personal welfare (Occupational Health & Safety, work relationships, and wellness programs)

#### How We Address Them

- Review and continuous improvement of performance management system, as well as manpower and succession planning
- Adherence to policies on salary structure, benefits, incentive and bonus system, and provision of access to loan programs (SSS, HDMF, company funds)
- Partnership with DOLE on occupational health and safety training
- Implementation of employee engagement, trainings, and recognition programs
- Initiating wellness programs on physical, mental, and spiritual health (i.e. Century Superbod – Employee Edition, Weight Loss Challenge, First Friday & Special Masses, Prayer room for Muslim colleagues, Annual Physical Exam)

#### **Channels of Engagement**

- Annual stockholders' meeting
- Publication of Sustainability and Annual Report
- Analysts' briefings
- Conferences and roadshows hosted by institutional investors
- Formal meetings, site visits, and conference calls with investors and analysts

#### Concerns

- Trends on the macroeconomic and socio-political environment in the industry
- Business outlook, viability, and growth
- Implementation of company strategy and transparency in reporting of results
- Environmental, social and governance issues
- Financial management

#### **How We Address Them**

- Constant engagement with investors, analysts, corporate regulators, and the investing public through different channels
- Risk management and good governance procedures
- Transparency in the information provided in reports and timeliness of its publications

#### **Channels of Engagement**

- Policy dialogues, consultations, and briefings
- Invitation to events and lectures
- Annual audits, required reports, and publications such as financial statements
- Official correspondence and formal proceedings

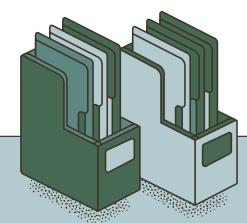
#### Concerns

- Compliance with laws and regulations
- Opportunities and areas for public and private sector collaboration
- Completeness and accuracy of reports
- Transparency and accountability

#### **How We Address Them**

- Compliance, transparency, and timeliness on submission of required reports and renewal of permits and licenses
- Updating of company policies and systems based on latest government regulations
- Attendance and participation to governmentsponsored learning sessions and compliance programs





### **Communities**

#### **Beneficiaries of CSR Programs**

#### **Channels of Engagement**

- Feeding programs in partner schools, orphanages, and parishes
- Volunteer activities in chosen communities
- Meeting with other NGOs, CSOs, and government agencies

#### Concerns

- Product quality and info
- · Limits in product variety provided
- Recipe of food provided
- Timeliness in delivery of goods

#### How We Address Them

- Pre and post-evaluation with stakeholders (students, parent-volunteer, school representatives)
- Basic food handling and demo cooking using Century-prescribed recipes
- Dialogue with the feeding coordinators & parent-volunteers
- Planning and coordination with communities and government agencies prior to the volunteer activity

#### **Surrounding Plant Operations**

#### **Channels of Engagement**

• Community meetings

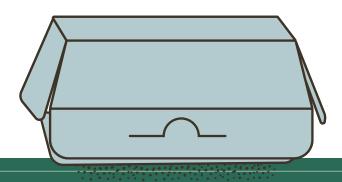
#### Concerns

- Environmental concerns and waste disposal
- Traffic congestion caused by the trucks coming in and out of the plant
- Plummeting of copra/dehusked nuts price to a very low level which severely affects the income of our coconut farmers

#### **How We Address Them**

- Dialogue with the communities in partnership with the local government unit
- Partnership with third party for recycling and upcycling of waste
- Adherence to the recommended traffic routes for private vehicles and trucks
- Implementation of feeding programs in schools in General Santos City, near the residence of most of our coconut farmers







	Where We Were				`	Where We Are Now
	2014	2016	2017	2018	2019	2020
Type of Report	Annual Report: Sustain	ability Section and Highli	ights	Sustainability and Anno	ual Report	
Scope	CNPF and all wholly-ov	wned subsidiaries		• • • • • • • • • • • • • • • •	• • • • • • • • • • • • • • • •	,
Highlights	<ul> <li>IPO year and first annual report of CNPF</li> <li>Started yearly coverage of Century Tuna Handline in support of WWF Philippines that encouraged development of small scale tuna fishing sustainability programs</li> <li>CNPF's adherence to global regulations and management initiatives that ensure long term sustainability and conservation of our seafood resources</li> </ul>	Coverage of Vice President-General Manager for Tuna OEM, Teddy Kho's inclusion in the global board of trustees for the ISSF	Started yearly reporting of the company's different initiatives that are in line with the different UN Sustainable Development Goals     Reported stockhealth for SkipJack Tuna which is used for most of CNPF's products	Identified focus areas around People, Planet, Protein Shift from CSR Reporting to ESG Integration Partnered with Business for Sustainable Development (BSD) in late 2018 to establish a sustainability framework and conduct initial baselining Integration of "Project InSpire" across the entire company which will allow CNPF to set targets and improve along various ESG dimensions	Engaged with The Purpose Business (TPB) to help develop CNPF's Sustainability Strategy for 2020 and beyond     Formalized the People, Planet, and Protein Sustainability Framework to help guide the integration of sustainability throughout company's value chain     Established governance structure (steering committees) to ensure the incorporation of sustainability initiatives that are both important to stakeholders and the Company into overall business strategy	<ul> <li>1st year of being a plastic neutral company – a first in the Philippines</li> <li>Firmer targets around the Company's sustainability strategy</li> <li>Incorporation of sustainability targets into managements' KPI's – directly affecting performance assessments and compensation</li> </ul>

	Where We Were					Where We Are Now
	2014	2016	2017	2018	2019	2020
Highlights					<ul> <li>Converted         "Project InSpire"         to "Mission         InSpire",         transitioning it         from a one-off         project to a longer         term commitment         on sustainability</li> <li>Began plastic         offsetting initiative         aiming at plastic         neutrality</li> </ul>	
Organizational Partnerships for Seafood Preservation	<ul><li>Bureau of Fisheries a</li><li>Earth Island Institute</li><li>World Wildlife Fund</li></ul>	/Dolphin Safe Tuna	on (ISSF)	(entur)		
Content Reported				Flakes in Veg Oil	Economic Value Cre     Sustainability Value     Stakeholder Engage	Chain Map

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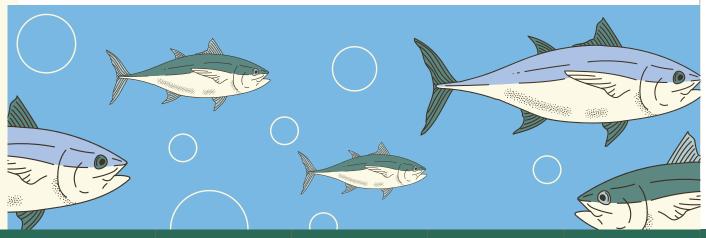
	Where We Were					Where We Are Now
	2014	2016	2017	2018	2019	2020
People						
Diversity and Inclusion			% of indigenous workers	<ul><li>Number of jobs supp</li><li>Ratio of male to fem</li><li>% of local hires</li><li>Number of indigenor</li></ul>	ale employee	
			<b>₹</b>			Commitment to further increase diversity at executive level
Talent Development				<ul><li>Training hours and inv</li><li>% of promotion opp</li></ul>		
Employee Engagement		y <u>_</u>			% of development op	portunities to women
						% of new hire women     Retention rate     Commitment to build a highly-engaged, inclusive and competitive workforce

	Where We Were					Where We Are Now
	2014	2016	2017	2018	2019	2020
Workplace Safety					Compliance to plant     Compliance to ma requirement	t safety protocols andated data privacy
••••••••		•••••••			•••••••	<ul> <li>Policies to         ensure a safe,         productive,         and supportive         workplace</li> <li>Oplan Ligtas         Lahat vaccination         program</li> </ul>
Community Development			Scholarship programs     Relief operations     Filipina Entrepreneur empowerment	<ul> <li>Number of children f</li> </ul>	d schools and academic	

Kain Po Feeding Program Since 2010, the company has been able to deliver millions of quality meals to partner schools and communities through this program.

	Where We Were					Where We Are Now
	2014	2016	2017	2018	2019	2020
Planet						
Natural Resource Efficiency		General power reduction	Actual Energy Consu     Actual Water Consul			<ul> <li>Actual and         Target Energy         Consumption and         Intensity</li> <li>Actual and         Target Water         Consumption and         Intensity</li> </ul>
Environmental Impact Management		General GHG reduction		<ul><li>Actual GHG Emissio</li><li>Actual Packaging Ma</li><li>Solar Energy General</li></ul>	aterials (Primary and Sec	ondary)
Supply Chain Management				Supplier Credibility     Raw Materials Trace	ability	
Tuna Sustainability	Compliance to all appl	icable ISSF Conservation	Measures			Compliance to all     applicable ISSE

Sustainability



- applicable ISSF Conservation Measures
- Participation in Global Tuna Alliance
- Adoption of Global Dialogue on Seafood Traceability Standards

	Where We Were					Where We Are Now
	2014	2016	2017	2018	2019	2020
Protein						
Product Affordability and Accessibility				<ul><li>products</li><li>Number of product</li><li>% of availability or</li><li>Number of restaur</li><li>Number of brande</li></ul>	all point of sale in the Pant served in the Philipp	hilippines nes
Product Innovation					Number of new produc	cts
						Spotlight: New Product Innovations
Food Quality and Safety		New!		Compliance to food	quality and safety regula	tion
Healthier Products	with Ca	Ma Ma FR Mamansi	OCO UMA PARA PARA PARA PARA PARA PARA PARA PA	consumers • Amount of Iron and • Amount of calciur	ga-3 and DHA consum d Zinc contained in Arge n supplied through our E ased fat and potassium i	ntina products irch Tree products

\*The company did not have an official annual report published in 2015.

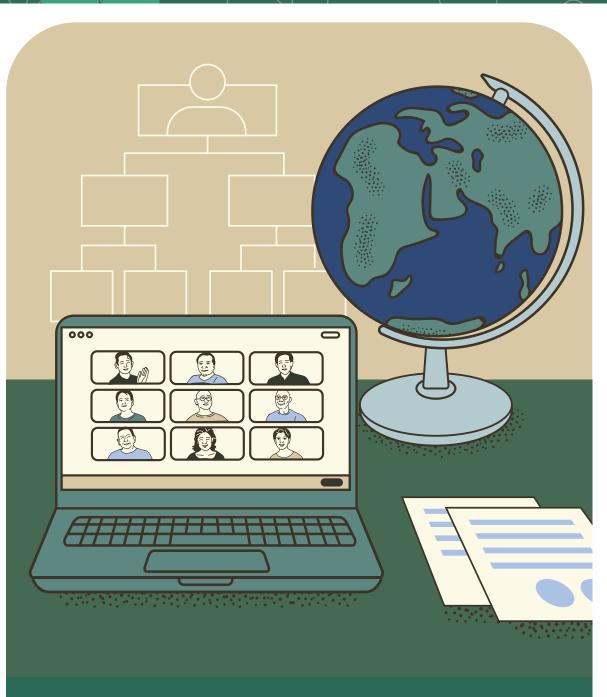
The Company's Board of Directors encompass a number of Board Committees that are meant to support the effective performance of the Board's functions. The Board's Corporate Governance & Sustainability Committee oversees the implementation of the sustainability framework and periodically reviews this framework to ensure that it remains appropriate in light of material changes to the corporation's business strategy and its external environment. It is chaired by a Non-Executive Independent Director, allowing for an independent and objective view of what truly matters with regard to sustainability, separate from management's potential other business concerns.

To operationalize the Company's sustainability framework and the guidance of the above mentioned board committee, management has set up a number of Steering Committees composed of senior executives (including the Company's Executive Chairman and CEO) to oversee the various sustainability initiatives and make directional decisions.

There is a Core 'Sustainability Steering Committee' which encompasses all 3 P's of the Company's sustainability framework then three other subcommittees for each of the 3 P's.

Every quarter, separate Steering Committees for Protein, Planet, and People meet to cover the initiatives and directives for that specific P. The Core committee members attend all three meetings every quarter, whilst members of the sub-committees attend the steering committee meeting for their respective P.

The Board's Corporate Governance and Sustainability Committee is updated of management's progress twice a year in meetings dedicated to sustainability matters.



There is no dedicated Chief Sustainability Officer or Sustainability Office as the Company believes sustainability is EVERYBODY's job. It believes assigning sustainability to a certain person or department will not effect the necessary change; for sustainability initiatives to be truly material and longlasting, they need to be part and parcel of the way we do business. As a result, members of management's sustainability steering committees are key leaders of the business who are made part of this initiative so that both business decisions and sustainability decisions are incorporated into one.

The Investor Relations Department, however, acts as a secretariat to the various sustainability committee meetings and ensures that this governance structure is organized and operating properly.

Ultimately, the Company's Board of Directors, through its Corporate Governance & Sustainability Committee, is accountable for the success of sustainability initiatives.

In management, the Board looks to no less than the Executive Chairman to ensure proper execution and implementation of sustainability initiatives. The Company's Executive Chairman and its CEO form part of the Company's Core Steering Sustainability Committee. This means they attend each quarter at least three steering committees - one for each priority pillar (Protein, Planet, and People). That is a total of 12 steering committee meetings relating to sustainability.

Members of the Company's various Sustainability Steering Committees (the Core plus three subcommittees - one each for Protein, Planet, and People) have sustainability targets incorporated into their Performance Management System, which is the ultimate basis for variable compensation. For instance, one can score well in operational matters but do poorly in sustainability. This will still materially affect management's variable compensation, which is approximately one third of total pay (and can go up to 50% in a good year).

Members of the sustainability steering committees represent some of the Company's most senior business leaders including the Executive Chairman, the CEO, Heads of R&D, Logistics, Procurement, and all Business Unit General Managers.



The Company commenced its groundwork by reviewing collected material information and data. We then engaged with various stakeholders to better understand their perception of the Company's current sustainability efforts and their expectations on future initiatives. Moreover, we informed ourselves of sector-specific material topics by benchmarking against other industry players.

To hash out all this information and incorporate other ideas, we held a Responsible Business Forum last March 2020 where our Management Committee listened to industry experts, brainstormed ideas, outlined challenges and concerns, as well as prioritized and ranked various aspects of sustainability.

The Company also engaged The Purpose Business (TPB) to finalize and fine tune this sustainability strategy, targets, and goals for 2020 and beyond. TPB helps organizations around Asia embed purpose and sustainability into their business strategy and operations by mapping our ESG impacts and helping companies address them responsibly. They have one of the region's broadest pools of globally experienced sustainability and business

practitioners in the fields of industry, academia, NGOs and government.

The end results were relevant and actionable key focus areas, initiatives, goals, and metrics that are material to our business and the industry we are in. Apart from materiality, these goals were also chosen because of the following:

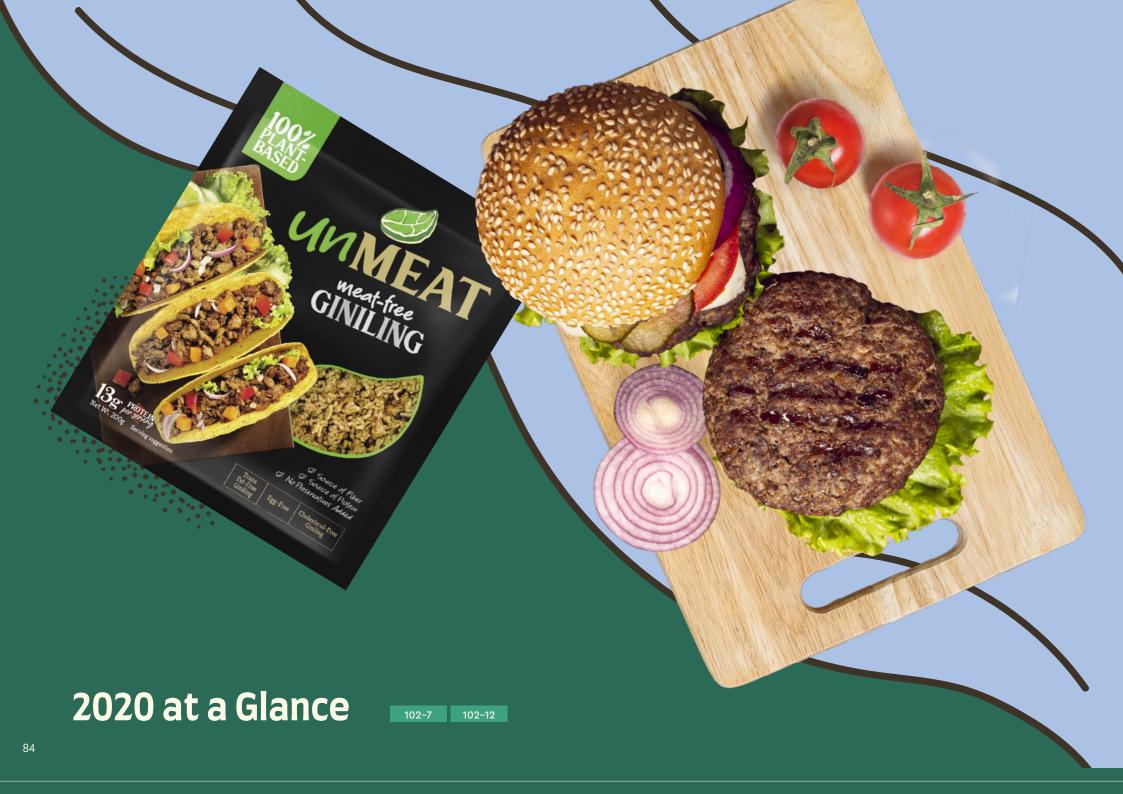
- 1. Our team was passionate about them. We believe that sustainability initiatives really come from our people and our employees. If it did not stir their hearts personally, then they are likely to just see it as extra work. We discovered, however, a number of areas that many of our employees were personally passionate and excited about and were really happy that the Company they work for was doing something about it. It gave them great joy that their own personal values were being reflected in their work and employment as well.
- These are win-win targets with our business. These sustainability initiatives would be more actionable given that they not only promoted sustainability, but also actually improved profitability or business operations. We want to encourage our

management and employees to be creative and not just ask whether we should choose between profit or sustainability: we challenge our team to find innovative solutions to address both!

Additionally, a governance structure was set up to ensure a sustainability chain of command for proper accountability and further monitoring and evaluation.

This sustainability chain of command is composed primarily of a subcommittee of the Board of Directors who oversees the activities of Management's Sustainability Steering Committee. Members of the Sustainability Steering Committee include some of the most senior management members of the business, including the Executive Chairman, the CEO, the Head of R&D, Head of Purchasing, and Head of Logistics. All members of the Sustainability Steering Committee have the relevant sustainability goals and targets incorporated in their Performance Management System, which is the basis of management's variable compensation.





### **Protein Delivery**



### 1st

large-scale vegan plant-based brand in the Philippines was launched by CNPF last November 2020 through "unMeat"

## 33%

daily protein requirement of an individual satisfied by each tin of CNPF products

## #1

Canned Good category for the Large Corporate division of the Asian Export Awards 2020

## Best ESG

in the Philippines according to the Institutional Investor's All-Asia Executive Team 2020 rankings



### **Planet Preservation**







## 3%

improvement in CNPF's energy intensity in 2020

### 5%

water intensity reduction in 2020

## 4%

reduction in greenhouse gas emission intensity in 2020

## 100,000

free coconut seedlings to be provided by CNPF each year for the next 5 to 8 years to aid 16,000 families in Mindanao

## 416,680

MT of emissions to be reduced with the replanting of 100,000 coconut seedlings annually over the next eight years, allowing the coconut subsidiary to be "carbon-neutral" by 2028

## 100%

plastic-neutral since 2019

## 54%

CNPF's raw materials sourced locally

### People Development









## 4,500

new jobs created in 2020

## 17,896

total jobs supported in 2020

### 56%

of our employees in middle management are female



heads of the different manufacturing plants of CNPF are all females

## 6 million

Food packs of assorted CNPF products donated to low-income communities hit hard by the COVID-19 Pandemic

## 35 million

free meals served by Kain Po program to-date

## 149

scholarships provided to children of the company's employees

### Sibol Awards

Paramount to CNPF's strategy is continuing our commitment to responsible business. We believe that sustainability is important to our longevity. Whether in coming up with healthier products, taking care of our people and communities, or being good stewards of our resources, we put it to heart that all our efforts are geared toward the common good.

In 2020, a company-wide "CNPF Sibol Awards" challenge allowed employees to submit for consideration various sustainability projects, harvesting the numerous exemplary and innovative initiatives that further our Sustainability Framework.

We summarize here some notable submissions. The Company has made this awards program a regular occurrence – helping build employee awareness and engagement around our Sustainability Framework, its importance in terms of overall company goals, and the various initiatives colleagues and teammates are currently doing to support in this journey.

### **Planet**

#### **MEAT: Overall Equipment Effectiveness**

CNPF's Meat business unit's response to the challenge is embracing Overall Equipment Effectiveness (OEE), a tool for continuous improvement that identifies line of productivity, losses and develops action plans for improvement.

As a tool to improve machine uptime, maximize manpower capacity and eliminate rejections, it is able to determine losses in the operations and identify the percentage of manufacturing time that is truly productive. The impacts of OEE include high production output, increase in profits, and engagement of a more robust workforce. Moreover, the tool promotes and maintains environment cleanliness through reduced rejection or scrap generation and improved wastewater management.

#### Corporate Controllership's Banyuhay Movement

The CNPF Corporate Controllership responded with a call for transformation through the Banyuhay Movement, a holistic initiative to change how products are viewed for the benefit of consumers and the environment itself. Banyuhay, or metamorphosis, also calls for transformation of how we promote our protein, people and planet initiatives. By harnessing the power of the Internet, the initiative aims to vigorously promote the spirit of Banyuhay and enhance buyers' experience as focus is given to People. For

Planet, the initiative zeroes in on Agropolis principles as a response to farm to factory road projects and through green architecture.

#### **Coconut's Carbon Neutrality Initiative**

For its part, the Coconut business unit has embarked on a long-term sustainable program, which addresses the challenge of achieving carbon neutrality. Through the "WIN-WIN" Sustainability Solution, the initiative is committed to a sustained planting of 100,000 coconut seedlings per year in the next decade and distributing these to smallholder farmers for free. This single vision sets out to achieve three major outcomes.

First, through carbon sequestration that helps the environment and makes CPAVI carbon-neutral. The planted trees will sequester and reduce carbon dioxide from the environment and bring it to the soil, which makes the soil healthier. Aside from cleaning the air, carbon sequestration also helps climate change mitigation. In cooperation with Friends of Hope, a non-profit organization, the program distributed high yielding coconut seedlings to more than 100 small stakeholder farmers in Socsargen area in 2020.

The second outcome is the improvement in the income among the coconut farmers as a result of the higher yielding coconut seedlings the program will provide.

And the third outcome delivers incremental coconut supply for the future, ensuring sustainability while future-proofing CPAVI business, which redounds well for all for all its stakeholders: investors, employees and workers, suppliers and coconut farmers.

#### Tuna OEM's Reduce, Reheat, Reuse Program 2020 Sibol Awards Winner

The Tuna OEM business unit has taken a unique opportunity to improve its water management and lessen its water footprint. Key to this initiative is a first-of-its-kind thawing water savings project that aims to significantly reduce water consumption through the Reduce, Reheat, Reuse program in the plant. This also includes a plant-wide water monitoring system: Record, Recycle, Reward. The initiative aims to lower the water usage by 30% – equivalent to saving a total of 660 million liters for the whole year.



### **People**

## Coconut's The New Normal: Sacrificing for Safety and Sustainability

As COVID -19 brought about far-reaching and life changing effects, Coconut's response was clear and resolute: protect the employees and keep them healthy and safe.

In the midst of the pandemic, the business unit was expected to deliver ever-increasing volumes to customers. Safety and sustainability were of paramount concern. To ensure the safety of the employees, free shuttles, care pack vitamins, virgin coconut oil, were provided regularly for their protection. Rice was also provided and the early release of 13th month pay was a way of assisting employees during these difficult times. To drive employee growth and learning, the coconut business unit provided virtual training to continuously hone our skills and promote engagement.

While many leadership teams had to work from home as an added preservation and safety measure, there were also those who performed beyond duty and sacrificed being away from family since March 2020. Some key managers, working in the coconut plant in Mindanao, have not seen their families in Luzon for several months. As there were expansion projects under operations during the time of the pandemic, people were resolute to complete the projects despite the challenges. Indeed, when leaders respond with fortitude and compassion, loyalty and sacrifice from among the ranks cannot be far behind.

#### Milk's Project 99.5%

The Milk division seeks to promote workplace safety amidst the COVID- 19 Pandemic by launching the Project 99.5% -Covid Free Plant, which aims to

minimize the risk of exposure, illness, and spread of the disease to 0.5% of its plant population.

The initiative delivers an Awareness & Information Campaign through printed health advisories, upto-date bulletin board, infographics, a COVID 19 Lecture Handbook, and webinars in partnership with Reliance United.

The project ensures Workplace Safety by adhering to stringent standards: temperature reading, hand and foot disinfection, building space and through disinfection, floor markings, plastic barriers, and strict implementation of social distancing. Health declaration checklist and regular RT Antigen Testing have also become a requirement.

To maintain employee health and welfare, shuttle services, medical consultations, vitamins, face shields, Nano masks, and milk are provided to everyone.

With the forces behind Project 99.5% and the meticulous adherence to safety standards, the initiative has reported NO COVID transmission in the workplace. Such a feat is also evidenced by the plant successfully passing COVID audits conducted by government units.



### **Protein**

#### Milk's Birch Tree Fortified Adult Boost

Committed to make the milk business a key driver of growth for CNPF, the business unit stepped up to boost its product portfolio amid the pandemic with the launch of Birch Tree Fortified Adult Boost, which seeks to provide consumers with an affordable product to help boost their immunity and energy.

Initially faced with a dilemma of whether to launch a new product or not in the midst of a pandemic, the team ultimately decided to serve the market with a product that will keep consumers in the best of health and protect them and their families from diseases. Nothing could be more imperative at this time of COVID-19.

The new product initiative was completed in a record-breaking seven months, from concept, formulation development, to actual product placement in stores. The product was not originally scheduled for launch in 2020, but combined with the team's tenacity, agility, and hard work, the dream became a reality – allowing Birch Tree to take advantage of the need for adult immunity during the COVID-19 pandemic.

This was made possible by remarkable efforts and amazing cross functional coordination – from R&D, finance, marketing, sales, trade marketing, procurement, logistics, demand planning, and production.

#### Coconut's Coco Mama Fresh Gata

Recognizing the vast opportunity to nourish and delight consumers with coconut products in the domestic market, CNPF introduced the new Coco Mama Fresh Gata, in an innovative and convenient standup pouch. The deliciously creamy, appetizingly fresh gata (coconut cream/milk) product aims to revolutionize how Filipinos prepare gata.

But more than business results, Coco Mama empowers Filipino moms in nourishing their families. Not only is it delicious, but Coco Mama Fresh Gata is healthy, too. It has lauric acid that has antibacterial and antimicrobial properties, which help boost the immune system. And it is also a healthy source of plant-based protein.

Coco Mama has truly delighted and nourished Filipino families by providing a healthy source of plant-based protein. Moreover, with the COVID-19 pandemic making wet markets and fresh coconut less accessible, the product has revolutionized accessibility to coconut milk during a time when consumers need it the most.

This phenomenal success of Coco Mama is a testament of how CNPF's cross-functional teams embody CNPF's mission of nourishing and delighting everyone, everyday, everywhere.



### **Economic Value We Create**

201-

103-1

103-2

103-3

#### **Economic Value Generated**

We were able to generate a total of Php 48.3 billion in revenues for 2020, a 19% increase from last year. This is attributed to the growth in sales of our products.

5%

#### **Economic Value Retained**

Of the PHP48.3 billion economic value that we generated this year, 5% is retained by the company.

3%

#### **Payment to Providers of Capital**

We continue to provide shareholder value as our dividends paid and finance costs increased by 53% from last year, amounting to PHP1.5 billion in total for 2020.

3%

#### **Payments to Government**

Our current tax expense is PHP1.5 billion.

49%

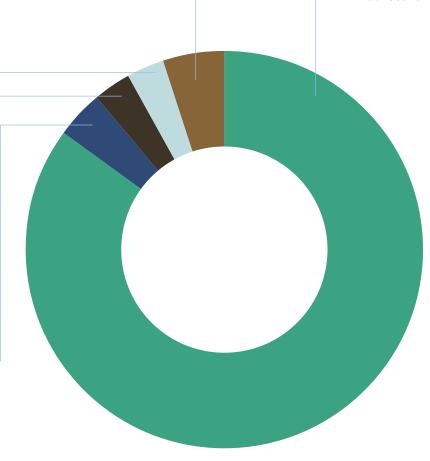
#### **Payments to Employees**

Employee salaries, wages, and benefits amounted to PHP1.8 billion in 2020, which is 4% of our total economic value. This amount presents an increase of 34% from 2019 due to the growth in our workforce.

35%

## Payments to Suppliers and Other Operating Expenses

Procurement, production, and manufacturing costs covered most of our economic value distribution at 85%.





## Profit-Purpose Alignment

### Our Business Core = Affordable Nutrition

### **Product Affordability & Accessibility**

102-6

As a food company that provides affordable nutrition to the population of the Philippines which remains primarily low-income, this pillar represents the core of our business and is a true representation of 'profit-purpose' alignment.

Our mission and business model revolve around providing affordable nutrition, primarily protein. As our business grows, so does the extent by which we can provide nutrition to the Filipino people. Apart from measuring this in financial terms, we also measure this in terms of how much protein we provide to the nation every year. This is a perfect example of how our economic interests align very closely with our social interests as well.

Our biggest social impact aligns very closely to our economic impact area – the provision of affordable nutrition to the Filipino people. Notably, majority of the Philippine population still belongs to the low to middle class, with 99% of the population in the Income class C or lower as defined below.

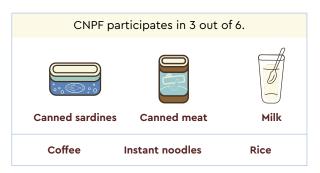
#### Distribution of Families and Income

SE Class		% Share of Income	Annual Income in PHP	Annual Income in USD
AB	1	9	1,857,000	36,880
С	9	26	603,000	11,976
D	60	56	191,000	3,793
E	30	9	62,000	1,231
Total	100	100	206,000	4,091

SOURCE: BPI SECURITIES SOCIAL WEATHER SYSTEM SURVEY, 2016

Our products also represent 3 out of 6 of the food items defined by the Philippines' Department of Social Welfare and Development as critical household items – emphasizing the key role our company plays in the social well-being of the country.

#### **Philippines' Key Critical Household Items**



SOURCE: DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT

## 2.3 billion

tins and pouches of our products sold across the Philippines

## 70.6 million

tins of our branded products exported to 80 countries

### 68%

# of all points of sale in the country carry our brands

This means our products are available in about 775,000\* outlets. 7,700 of those are directly serviced by CNPF.

SOURCE: NIELSEN 2020

## 19,339

# restaurants served in the Philippines

This is equivalent to 22%<sup>1</sup> of the total consumer food service establishments in the country.

<sup>1</sup> Source for total consumer food service establishments in the Philippines: Euromonitor

#### **Domestic Retail**

Driven by its vision to nourish and delight everyone. everyday, everywhere, CNPF focuses on continuously improving its products' availability in various distribution channels - from big and modern supermarkets and convenience stores down to neighborhood groceries and sari-sari (mom-andpop) stores - making our products ubiquitous and accessible to consumers.

To strengthen our market leadership in the Philippines, we embarked on a distribution strategy which aims to build a coverage plan of the "right stores," strategically and carefully selected to generate sustainable downline business. We also continue to find ways to maximize our sales team infrastructure before further setting up new ones to enhance efficiency and optimize costs. As we improve our distribution network, we likewise focus on the quality

of our coverage by selling more to existing stores and increasing the number of SKUs on their shelves.

#### **Global Brands**

Similarly, the Company continues to make significant inroads in the international market. Its Global Brands business unit has established shelf presence in thousands of ethnic outlets and mainstream retail chains across 80 countries. The company's flagship brands are carried by multinational retailers such as Walmart, Safeway, and Albertsons in North America, Carrefour and Giant in the Middle East, China, and selected European countries, the Dairy Farm Group in Asia Pacific, Woolworths, and Coles in the Pacific and the NTUC in Singapore.

#### **Food Service**

We also cater to institutional clients through our food service business. With the help of our Culinary

group, we are able to come up with innovative and healthy menu ideas featuring our portfolio. Our R&D team develops pack sizes tailor-fit for our institutional clients' requirements and operations, while our Quality Assurance group ensures a high level of attention to the quality and safety of all our products. To support clients wherever they may be, depots are strategically located in key cities to ensure unhampered service.

With our quality, customized products, pack formats, labels, and bulk sizes, we are able to position our food service products in the premium, high-quality segment. This is supported by relevant sales and trade marketing programs such as technical skills training in sales, channel-driven trade programs, accountspecific programs, as well as continuous efforts to promote brand awareness and foster goodwill among trade partners.

Product innovations in line with mission of providing affordable nutrition to Filipinos

Meat

• Strong, reliable and proven platform to successfully launch new products and enter new categories

### **Recent Product Launches**

Core

Marine



December 2020

November 2019 (Relaunch)

February 2021



February 2019



December 2020 (Relaunch)

March 2021

**Emerging** Milk



April August 2019 2020





March 2021 (Relaunch: New & **Improved** Formulation)

Coconut



September

2019



October 2020 (Institutional Launch)

Plant-based

February 2021 (Retail Launch)

### **Product Development & Innovation**

417-1

In the span of four decades, CNPF has successfully built a portfolio of strong household brands. The journey has been characterized by a constant pursuit of customer delight and continuous market study – all done with the help of modern research and development techniques which skillfully meld both quantitative and qualitative inputs to minimize guesswork and come up with winning products.

#### Idea Creation

This is where the product innovation and design process starts as new product concepts are developed and then tested through focus group discussions initiated by our Marketing group. We maximize the use of existing or available raw materials and take advantage of their nutritional and sensorial properties.

#### **Product Feasibility**

At this point, we determine the manufacturing and financial feasibility of the product. Once found acceptable, the Company produces a prototype to concretize the concept and give a working sample of how the product will look, taste, and benefit the consumer.

#### **Product Testing**

This phase subjects the product to assessment and is an opportunity to further improve it based on feedback or suggestions gathered from structured research studies. The research methodologies used include sensory profiling, central location tests, homeuse tests, and in-depth Interviews.

#### **Product Launching**

This is the culminating step which ensures that marketing communication programs have been rolled out to introduce the product to potential customers, make them understand its benefits, and ultimately entice them to try our new product.

Our marketing and advertising materials are compliant with all advertising laws, as reviewed and approved by the Advertising Board under the Department of Trade and Industry.

### **Food Quality & Safety**

102-11

416-1

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We aim to uphold food quality and safety at all times. While senior management has responsibility for the safety of our food products, the successful launches of product innovations and well-maintained food quality and safety are outcomes of the time invested by the Research & Development and Quality Assurance teams in technical training, proficiency testing, and raw material safety testing.

Our Quality Assurance teams ensure the high quality and safe handling of our food products, adhering to international standards such as the Philippine National Standard, Association of Official Agricultural Chemists, Compendium of Microbiological Criteria for Food, Codex Alimentarius, and ASTM International.

With our expanding global reach, we also comply with the international food safety labelling standards of the U.S., Canada, Europe, U.K., Australia, Japan, Russia, U.A.E., Saudi Arabia, and Israel. These are achieved through our robust quality assurance processes.

#### **Regulatory Compliance**

This is the process where permits are secured from various government agencies. Permits are revalidated annually, including our License to Operate, Product Registration, Import Permit, Export Permit, and Environmental Compliance Certificates.

Our food safety certifications are validated annually by local government agencies or third-party certifying bodies. Our products, including packaging marks, labels, and ingredients list, among others, adhere to the regulations of the Food and Drug Administration.

#### Raw Material Testing & Supplier Accreditation

This process refers to the testing and evaluation of ingredients and packaging materials to be used

in production to ensure conformity to standards. Suppliers are also accredited to make sure that raw materials are consistently manufactured and delivered according to agreed specifications.

#### **Production & Process Control**

This procedure involves setting up a monitoring system for each phase of the production process, and establishing sampling frequency, time, temperature, testing procedure, and other control parameters.

#### **Food Safety Audit**

This subjects our plants, toll manufacturers, supply chain, and products to audit. Documented food safety plans and standards are reviewed and validated during the audit to ensure compliance with regulatory standards and buyer requirements.

#### **Continuous Improvement**

This drives product and process improvement based on the risks and issues found during the audit. Controls are set based on the identified risks and the updated quality standards.

The Research & Development team, on the other hand, assesses the functionality and taste of raw material inputs for production, making sure these are consistent with consumers' tastes and standards. To enhance their competencies, the group undergoes seminars covering both technical and soft skills that would improve recipe innovation, alternative ingredients assessment, basic sensory, and management processes. Such trainings include ingredient-supplier-initiated in-house technical seminars, external technical seminars, competency seminars, webinars, competency development programs, and professional technical programs.

We also have a talent development program designed for our Research & Development specialists which follows a two-pronged approach. The first component aims to develop technical and leadership skills of managers primarily through continuing technical education and onthe-job project immersions in developing new products and product lines. Meanwhile, the second component seeks to identify high-potential technical specialists from our Research & Development, Manufacturing, and Quality Assurance functions to develop their technical skills towards becoming Research & Development practitioners. This involves partnering with a local university that will help design the special curriculum focusing on building proficiencies in chemistry and nutrition to support the organization towards developing healthier, affordable, and sustainable food products.

To ensure consistent adherence to product quality and standards, analysis is regularly conducted by the Research & Development group. This includes product trade audits through physical, chemical, sensory, and microbiological analysis.

We also regularly monitor our products' brand health versus other industry players by looking at the perspective of consumers. This entails central location tests to get a sense of our products' market performance as well as the perception of consumers towards the product.

Specifically for our milk business, we engage experts and consultants in food safety management systems to facilitate training and share best practices to our employees as part of their skills enhancement and competency development program aligned with Food Safety System Certification (FSSC) requirements. Our compliance with these standards allowed us to obtain FSSC certification in 2019, along with other international certifications which enabled us to produce for the U.S., Middle East, and European markets. Because of this, we have been recognized by "Food Safety Trends Magazine Philippines" as one of the local producers who practice exemplary food safety programs.

Moreover, we encourage and monitor consumer feedback and complaints which serve as inputs for quality assurance, especially product and process improvement as the most common concerns are on food quality. These are referred to the relevant department and promptly resolved through corrective measures and improvements. We also have a Traceability and Recall Program in place to further ensure product service safety.

### **R&D** Team in Focus

A high-functioning R&D department that is able to keep spend low (at c. 1% of sales) due to the use of an external network of resources including that of the Department of Science and Technology, and the Food Nutrition Research Institute to name a few.

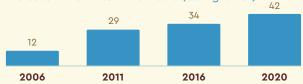
#### Daisy Engle, AVP - Corporate R&D

- 43 years of experience in various research and development roles in food manufacturing, food ingredients suppliers, and R&D consultancy
- Currently responsible for managing the R&D groups of all business units of CNPF

#### **Department Composition**

- 42 R&D team members
- Average of 9 years work experience
- Educational backgrounds include: Food Technology, Medical Technology, Chemistry, Chemical Engineering, Biology, Statistics, and more
- All undergo regular technical training to ensure skills are constantly up-to-date

#### Increase in R&D Team Members (3.5x growth)



#### **In-House Consumer Insights**

Trained evaluators, whose taste senses are pre-calibrated, perform objective and unbiased taste testing of products

#### **Product Management**

Handles both new product development and current product improvement; At the same time, finds ways to lower cost and improve profits of existing products without sacrificing quality

#### **Process Development**

Establishes the process for the conversion of the product from raw materials to finished goods in a cost effective and efficient manner

As a leading food manufacturer in the Philippines, CNPF was able to redefine the shelf-stable food category by combining the convenience of packaging with the nourishment offered by our protein-rich and nutrient-fortified marine, meat, milk, and coconut products, catering to consumers who value proper nutrition at affordable prices.

Alongside efforts to fortify our products with nutrients, we continue to monitor certain product ingredients which may have unfavorable effects on the body when consumed beyond the optimal level, such as sodium and nitrite. Our Research & Development department aims for the ideal balance of preserving the taste and quality our consumers love vis-à-vis enhancing the overall nutritional value of our products.

### **Marine**

The Company's flagship brand, Century Tuna, is at the forefront of our drive towards health and wellness as its products are a rich source of protein as well as Omega-3 DHA. As highlighted in our Fish Everyday campaign, a serving of Century Tuna Flakes in Oil, which is about 56 grams, contains 0.6 grams of Omega-3 and 7 grams of protein. Regular consumption of omega-rich food helps prevent blood clots, lowers blood pressure, and protects against irregular heartbeats. On the other hand, protein supports the growth and repair of body tissues as well as regulates bodily processes. Because of the nutrients consumers gain from this product, the Food and Nutrition Institute recommends Century Tuna Flakes in Oil be included in daily meals for adults.

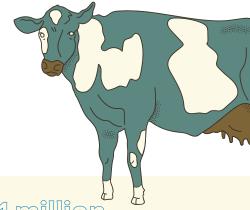
We are guided by a salt matrix to ensure ideal levels of sodium in our oil-based tuna products. We also do not use artificial coloring; our highly popular sardines product instead uses lycopene as a natural food colorant in its tomato sauce.

Our Research and Development team continues to study the benefits of other nutrients inherent in our marine products such as vitamin B3 (niacin) and phosphorus which enhance the immune system through energy metabolism and fatigue reduction.

### Meat

Apart from being good sources of protein, our meat products contain sufficient amounts of iron which is vital for blood circulation, as well as zinc which helps regulate the immune system.

Our Hunt's Pork and Beans product, which continues to dominate the domestic beans market, makes use of lycopene and is also a steady source of fiber.



## 29 million

# kilograms of protein distributed to the market

This is 25% more compared to the 23 million kilograms of protein we put out in 2019. 96%, or 28 million kilograms, was consumed in the Philippines. This is equivalent to the annual protein requirement of more than 300,000¹ Filipino families.

## 408 million

grams of Omega-3 and 32 million grams of DHA consumed by our loyal Century Tuna customers

## 378 million

grams of calcium supplied through our Birch Tree products

2.1 million

grams of iron and 1.4 million grams of zinc contained in the Argentina products we sold

<sup>&</sup>lt;sup>1</sup> This number is computed by dividing the total kilograms of protein sold by the total kilograms of FNRI protein requirements of an average Filipino family in a year. Based on the Philippine Statistics Authority, an average Filipino family consists of 4.4 members.

As milk remains one of the best sources of essential nutrients for the body, our Birch Tree Fortified and Birch Tree Fortified Choco variants not only nourish everyone with protein and calcium for growth and strong bones, but are also fortified with inulin probiotic which helps fight chronic illnesses.

To further support dietary requirements, our Birch Tree products also contain vitamins A, B1, B6, C, and other minerals such as phosphorus, sodium, potassium, magnesium, iron, and zinc.

The versatility of the coconut becomes even more evident with its wide range of health benefits. Our dessicated coconut and coconut oil products contain plant-based fats which are rich in antioxidants. Dessicated coconut is also a source of iron, zinc, and vitamin E.

Potassium in particular can be found in our coconut water and dessicated coconut products. Moreover, our coconut oil, coconut milk, and coconut flour products contain healthy acids such as lauric, myristic, palmitic, and oleic.

#### Century Pacific enables consumers to support coconut farmers in Mindanao by purchasing bundles of their healthy, plant-based products

CNPF now enables consumers to help support coconut farmers in Mindanao, as well as assist in ensuring long-term coconut supply and improvements in the environment through the offset of carbon dioxide emissions.

In partnership with non-profit organization Hope, customers will be guaranteed that one coconut tree will be planted on their behalf for every bundle of healthy, plantbased CNPF products they buy.

Bundle options are composed of the Coco Mama, Vita Coco, and UnMeat brands that will be made available during Earth Week 2021.

CNPF encourages consumers to have a meaningful Earth Week celebration by

shopping these plant-based product combinations that are not just good for you, but are now good for farmers and the planet too.

Coco Mama and Vita Coco offer consumers a convenient way to enjoy the goodness of coconuts – rich in potassium, high in antioxidants, and with healthy benefits for the heart, kidney, and blood sugar.

UnMeat is a healthy meat alternative made with non-GMO plant-based ingredients, zero cholesterol and trans-fat, while remaining a good source of protein and fiber.

In addition to the new coconut trees that will be planted on consumers' behalf, proceeds from the sale of the bundles

will also be for the benefit of the coconut farmers in Sarangani, a low-income region in South Central Mindanao.

This offering is in line with CNPF's broader sustainability program, specifically its long-term commitment to provide Philippine farmers 100,000 free coconut seedlings a year, over the next 5 to 8 years.

On top of expanding coconut supply in South Central Mindanao and helping augment the income of 16,000 farmers and their families, these new coconut trees are also expected to offset about 416,680 metric tons of greenhouse gas emissions, allowing CNPF's coconut business to be "carbon neutral" by 2028.



## 13 million

kilograms of plant-based fat provided through our coconut oil, desiccated coconut, and coconut flour products

## 79 million

grams of potassium rolled out from our coconut water and desiccated coconut products

### Focus areas in 2021





Rolling out formulations with reduced sodium for key products of our core branded (marine and meat) portfolio

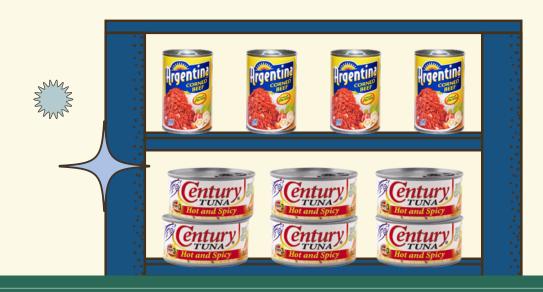




Emerging branded (milk and coconut) - whose growth outperforms rest of company - have a clear health and wellness angle



Introduced "UnMeat" - the Philippines' 1st vegan brand: an affordable and accessible way for Filipinos to enjoy plant-based products







We committo formalizing an environmental management system to support our goal of utilizing natural resources, such as energy and water, more efficiently and reducing our emissions and waste generation.

All our manufacturing facilities are compliant with applicable environmental regulations. We regularly conduct internal environmental audits to ensure this compliance. Similarly, our manufacturing facilities are subject to annual external environmental audits by the Department of Environment and Natural Resources.

If needed, corrective actions are immediately implemented for continuous compliance with environmental regulations. We also regularly study and examine the means by which we can further improve our environmental management system and our use of various environmental resources. These include training and awareness programs for our employees as well as the necessary communications to address any environmental management issues.

Senior management, more specifically our plant business unit heads, hold responsibility for utilizing natural resources more efficiently, reducing our emissions and waste generation, and other environmental issues. A governance structure is also in place at the plant level, with assigned roles and responsibilities, to ensure that environmental issues or concerns are addressed.

To stay abreast of environmental issues, we will consult with stakeholders regularly and take action when material environmental concerns arise. We will also work on increasing the environmental awareness of our stakeholders for the benefit of the communities, the Company, and the planet.

We will keep stakeholders updated on our environmental performance as well as on developments regarding environmental issues through our succeeding sustainability reports which will be published annually.

As stated in our ESG policy, we commit to the efficient use, reuse, and restoring of agriculture and fisheries resources, as well as better management of our environmental impacts by decreasing our water and energy consumption, lessening our greenhouse gas emissions, and actively monitoring our waste generation as we continue to grow our business and serve Filipinos.

Overall, we are taking steps to reduce our emissions and non-food waste across the board by categorizing and measuring them.



CNPF strives to improve its efficiency in utilizing resources by adopting industry best practices in energy and water management as well as closely monitoring usage to ensure we are attending to our sustainability commitments while fulfilling business requirements.

### **Energy Consumption Reduction**

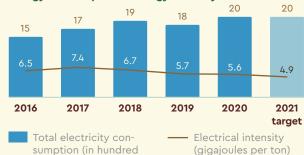
To keep our production plants running, the Company uses steam generated from bituminous coal and purchased electricity, while back-up generators are fueled by diesel. In 2020, total energy consumption across all our plants increased by 15% versus the previous year. More importantly, our energy intensity, an efficiency metric measuring how much energy we consumed for every tonnage of products produced, improved by 3%.

Various power-saving initiatives have been implemented in our tuna plant to achieve higher energy efficiency such as shifting 100% to LED lights, upgrading to more productive systems, and using equipment and machinery with the same output requirements but lower power rating. Moreover, we now source more efficient coal, requiring less volume to sustain operations.

Our coconut business has likewise made strides in reducing its energy consumption. Similarly, we are in the process of completely converting to LED lights, installing upgrades to equipment, and altering or automating operational procedures to lessen our energy consumption.

Meanwhile, initiatives aimed at reducing power consumption at the Head Office were spearheaded by the Information Technology department. These include consolidation of servers which effectively reduced electricity maintenance, overall heat dissipation, and cooling requirements as well as installation of energy-efficient cooling systems running on Variable Refrigerant Volume technology.

#### **Energy Consumption & Energy Intensity of CNPF Plants**



In 2020, total energy consumption across all our plants increased by 15% versus the previous year. More importantly, our energy intensity, an efficiency metric measuring how much energy we consumed for every tonnage of products produced, improved by 3%.

thousand gigajoules)

### Water Consumption Reduction

Water, on the other hand, is used in our factories primarily as input to our product sauces and liquefied products, as well as to generate steam to power our operations.

We are committed to reduce water consumption per metric ton of product of our marine and coconut plants by 20 to 30% in the next three years via initiatives such as innovative thawing methods, rainwater recycling, desalination, and condensate recovery.

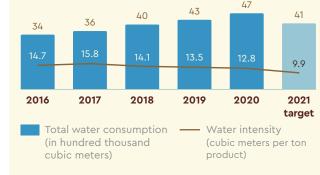
For our tuna business, about 30% of its water consumption is utilized in thawing fish. We saw an opportunity to drastically reduce water use by designing a first-of-its-kind thawing method that has decreased the water the plant uses for thawing frozen tuna by half. The success of this

initiative translated to a 30% reduction in freshwater consumption annually.

Meanwhile, our sardines business has reduced the consumption of purchased district water by utilizing deep well water instead and processing it through our reverse osmosis system. This is then used for products, boilers, washing, equipment maintenance, and drinking needs.

Our coconut plant is also implementing ways to recycle used water for the cleaning of equipment rather than disposing it or utilizing new water supply. On top of this, we are working on improving our condensate water recovery system which would aid in lowering our water usage.

#### Water Consumption & Water Intensity of CNPF Plants



In 2020, our water consumption increased by 10% due to higher operational requirements. Nonetheless, our water intensity improved by 5% as we consumed less water for every tonnage of product we manufactured.

### **Greenhouse Gas Emission Reduction**

We manage our use of natural resources to control the impact of our operations on the environment. This includes the resulting greenhouse gas (GHG) generated by the energy we utilize. The fuel that we directly burn in our manufacturing facilities represents our Scope 1 emissions, while the electricity we use to light up our facilities and offices refers to our Scope 2 emissions.

We are looking at renewable energy to help limit our greenhouse gas emissions. Our tuna business already began to harness renewable energy through solar panels, generating part of our electricity requirements and consequently avoiding carbon dioxide emissions.

VS.

The Company targets to source approximately 15% of its power requirements in General Santos, its largest manufacturing base, from solar energy, thereby reducing its GHG emissions by around 5,765 metric tons a year beginning mid-2021. It also continues to explore other forms of renewable energy.

Through our partnership with Friends of Hope, we are spearheading a coconut replanting initiative by providing coconut farmers 100,000 coconut seedlings a year for the next five to eight years. In addition to expanding long-term coconut supply in the region, the initiative will sequester about 416,680 metric tons of emissions over the next eight years. This will allow our

coconut subsidiary to be "Carbon Neutral" (net zero carbon emissions) by 2028.

In 2020, we made our biggest move yet into the plant-based meat alternative market with the launch of UnMeat. this initiative supports both our ambition to become a healthier food company and to do business in a more sustainable and responsible way. Apart from being good for the health, the supply chain for plant-based products requires lower consumption of various natural resources such as water, land, and energy, and generates less greenhouse gas emissions compared to the production process for meat.

UnMeat

Plant-based

Around 98% less water used



Around 30% less energy used



Around 82% less greenhouse gas emissions



Around 88% less land used



Animal-based



Production of real meat entails a longer supply chain versus plantbased meat alternatives

## GHG Emissions & GHG Intensity of CNPF Plants (Scopes 1 & 2)<sup>1</sup>



In 2020, our total Scope 1 and 2 emissions increased by 16%, while our GHG intensity was unchanged.

<sup>1</sup> Standards used for the computation are based on the GHG Protocol Corporate Protocol and Reporting Standard. Location-based grid emission factors are based on the Philippine Department of Energy. The gases reported include carbon dioxide, methane, and nitrous oxide. GHG emission is in tons CO2e, while GHG intensity is in ton of carbon emitted per ton product.

413,142

# kilowatt hours of electricity generated through solar power

By utilizing renewable energy, we have been able to avoid about 322 tonnes of carbon dioxide emissions.

19 million

### kilograms of fish meal sold

Around 10.2 million kilograms of protein was recovered from processing our tuna and sardines fish meal.

2

### years plastic neutral

### **Plastic Neutrality**

While we sustain our efforts in managing our food waste, we are looking for more ways to reduce our non-food waste, especially those that would contribute in addressing the worsening plastic waste problem in the Philippines and around the world.

Committed to doing our part, we partnered with Plastic Credit Exchange last year to pursue 100% plastic neutrality for all brands in our portfolio using plastic packaging. This program collects municipal plastic waste equivalent to the tonnage of post-consumer plastic CNPF products use, and co-processes the plastic into energy in lieu of using coal. We engaged Isla Lipana and Company as third-party auditor to verify and attest to our plastic footprint against purchased plastic offsets. As of end-2020, a total of 6,347 metric tons of plastic were offset by the Company through this initiative. We were able to achieve our second year of being 100% plastic neutral in January 2021.

In addition, we now support a waste-to-cash program which incentivizes women-owned sari-sari stores to become collection points for post-consumer plastic waste. Primary among these incentives is increased income opportunity and additional livelihood for these women micro-entrepreneurs.

To jump-start their new micro-enterprise, CNPF has installed, for sari-sari store owners of Barangays 432 and Baseco Port in the City of Manila, two purposefully designed 10 to 20-foot containers to assist in their collection of post-consumer plastic waste.

Each container can hold up to 5,000 to 7,000 kilograms of post-consumer plastic waste and now serves as the communities' aggregation hubs.



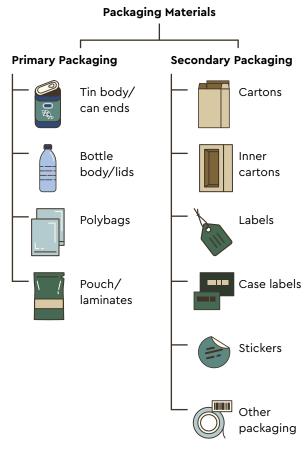
Residents can then sell, through their respective women micro-entrepreneurs, post-consumer plastic for a predetermined price per kilogram. Once they fill up the container, the lot of post-consumer plastic is purchased at a mark-up, then fed into the ecosystem of partners who recover, process and recycle the waste.

Through this program, both sari-sari store owners and community members are given the opportunity to not only make extra income, but are also empowered to depollute the environment around them.

By incorporating sari-sari store owners into CNPF's broader plastic neutrality effort, it is helping build a strong network of women micro-entrepreneurs, who can be catalysts for sustainability in their respective communities.

Overall, we are taking steps to minimize our non-food waste across the board by categorizing and measuring them. Tin cans, glass bottles, metal lids, plastic canisters, and lids can be sold as scrap for recycling. We partner with our suppliers to sell obsolete stocks of paper labels, case labels, and inner cartons to paper mills to be used as scratch paper. We also work closely with our suppliers on the recyclability of flexibles, pouches, polybags, and laminates, and

evaluate them for possible down gauging, waste management, and co-processing or upcycling. Lastly, our Research and Development team has employed measures to increase the concentration of our ingredients in an effort to utilize less packaging such as polyethylene bags and stretch wrap.



### **Plastic Neutrality 101**

#### What does 'plastic neutrality' mean?

A company is plastic neutral when it has a net zero (i.e. neutral) plastic footprint. This is achieved by balancing the amount of plastic it uses with an equivalent amount of plastic that is recovered and prevented from polluting the environment.

#### What sparked the idea?

Consumer companies, like CNPF, face significant cost and performance challenges in finding more sustainable alternatives to plastic. There are immediately no good options to replace plastic packaging outside of the premium market. Nonetheless, reduction of plastic is a key pillar of the Company's sustainability strategy and, alongside PCX, it has found plastic neutrality to be an innovation that provides a solution to the plastic problem whilst ensuring plastic-packaged products remain accessible and affordable to majority of Filipino consumers.

#### How does CNPF achieve plastic neutrality?

CNPF is able to achieve plastic neutrality by purchasing plastic credits from the Plastic Credit Exchange (PCX), in a plastic offset mechanism that resembles and is inspired by the carbon offset industry. PCX is the world's first global, non-profit, fully integrated plastic offset platform that adopts best practices of carbon credit, applying it to plastic with transparency and impact at its core. It delivers to CNPF a Certificate of Plastic Credit with full audit documentation and publishes the offset in its credit registry.

#### Since when has CNPF been plastic neutral?

Last January 2021 marked Century Pacific's second year of being "100 percent plastic-neutral".

## What does PCX do with the equivalent amount of recovered post-consumer plastic?

PCX has built a wide ecosystem of partners that recover, process, and recycle plastic waste. It continuously seeks out the most environmentally sound solutions to plastic waste reduction. It redirects plastic waste to the safest, most environmentallypreferred end destination using only processes that comply with international industry best practices. Of the plastic collected, those that are recyclable will be sent to vetted partners and reconverted into new useful products. Whatever cannot be recycled will be used as an alternative fuel to coal in cement co-processing, i.e. the use of suitable waste materials for the purpose of energy and resource recovery and resultant reduction in the use of non-renewable resources. Co-processing is recognized by the UNEP as the environmentally preferred option for managing end-of-life plastics.

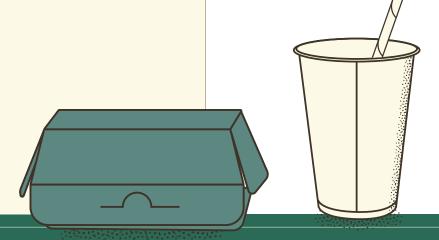
### **Landfill Waste Reduction**

The different parts of the company likewise have their respective initiatives on reducing non-food waste.

At the head office, we are focusing on transferring our workflow to a new platform that will allow more automation and electronic processing. We also plan to conduct a comprehensive waste audit to ensure proper waste segregation and traceability.

For our tuna business, we are targeting to lessen our stretch film consumption by 50% in 2021. We also do metal baling for tin waste and are able to sell these to scrap companies.

Our sardines business also recycles materials like stainless steel pipes and channels to fabricate equipment or tools for plant operations. We have also forged a partnership with a third-party to transform our waste from coal ash into construction hollow blocks that pass structural standards. The sardines business aims to eliminate waste going to landfill and reduce recyclable and biodegradable waste materials by 20% by 2025.



We look beyond the sustainability of our own company and further examine the sustainability efforts of our suppliers. Our procurement team takes care of ensuring suppliers are able to consistently provide us with high-quality raw materials, compliant with government regulations and accredited by international organizations.

At the moment, we are able to trace the origins of our major raw materials such as fish, meat, milk powder, and coconut back to the fishing ground or farm each main raw material was sourced from.

In early 2021, we formalized and institutionalized Supplier Code of Conduct and Ethics covering actions of all raw material suppliers and service providers. It covers the following issues: (a) Human Rights (child labor, forced labor and human trafficking, non-discrimination, harassment, working hours, wages and benefits), (b) Ethics (business integrity, no gift policy, fair competition, privacy and intellectual property,

conflict of interest ), (c ) Health, Safety and Quality, (d) Environment, and (e ) Management Systems.

The Supplier Code of Conduct covers the systematic assessment of suppliers' social performance during the procurement process, among others. All legally binding agreements will require compliance with the set social standards. We will internally audit our business partners accordingly annually thereafter to monitor their compliance with our supply chain standards and to address social supply chain issues, if any. We will also engage with non-conforming suppliers to reach compliance as needed.

To keep abreast with changes in supply chain issues, we will engage with various stakeholders and amend our Supplier Code of Conduct and Ethics when necessary. Such stakeholders include our own employees who are able to elevate supply chain concerns through formal channels.

The role of our Board's Corporate Governance Committee was likewise expanded to include ESG matters, establishing board-level responsibility for supply chain management. We will also engage with NGOs, labor groups, or industry peers to be conversant with social supply chain issues and amend our Code of Conduct and Ethics when necessary, and will create formal channels that will enable workers throughout our supply chain to elevate concerns.

#### Tuna

We diligently comply with international regulations pertaining to conservation measures. As part of our commitment to sustainable sourcing, we are subject to various audits by accredited firms. We also work closely with a number of organizations such as:

- British Retail Consortium (BRC)
- Bureau of Fisheries and Aquatic Resources (BFAR)
- Business Social Compliance Initiative (BSCI)
- Earth Island Institute (EII) / Dolphin Safe Tuna
- International Food Standard (IFS)



- International Seafood Sustainability Foundation (ISSF) / International Seafood Sustainability Association (ISSA)
- Marine Stewardship Council (MSC)
- Regional Fisheries Management Organization (RFMO)
- Sedex Members Ethical Trade Audit (SMETA)
- Western and Central Pacific Fisheries Commission
- World Wildlife Fund (WWF)

#### **Sardines**

To further enhance the competitiveness of our sardines business, we upgraded our guidelines, specifications, and standards to conform with international requirements. As a result, the Company has been able to comply with the Hazard Analysis and Critical Control Points (HACCP) and the British Retail Consortium (BRC).

#### Meat

All our meat inputs are purchased from accredited international sources who produce according to standards approved for export to the U.S. and

European Union. Meat imported from the U.S. follows the Federal Meat Inspection Act and passes through mandatory federal inspection by the Food Safety Inspection Service of the U.S. Department of Agriculture, while meat from Europe are governed by the European Food Safety Authority. These have been in place since the beginning of our meat operations.

#### Milk

We have obtained the Food Safety System Certification (FSSC), as well as the USFDA certification to export to the U.S. We are also compliant with the standards of the Philippine Bureau of Food and Drug's Hazard Analysis and Critical Control Points (HACCP) and the International Organization for Standardization (ISO).

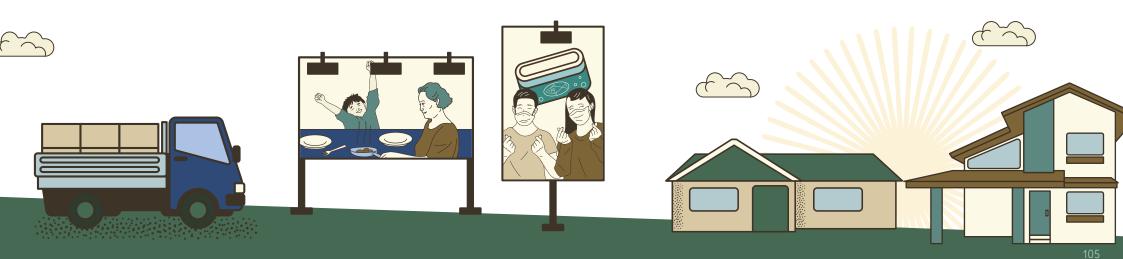
Our raw material sourcing process is aligned with the latest developments and practices in the dairy industry, with heightened focus on quality and safety to include sustainability.

#### Coconut

We adhere to the following international standards: European Organic Standard (EOS), National Organic Program (NOP), Japan Agricultural Standard (JAS), and Korean Standard (KONKUK).

Our processes are aligned with the Sedex Members Ethical Trade Audit (SMETA) global standards for responsible and ethical sourcing, health, safety, and welfare of workers, as well as environment management. We likewise fulfill the requirements of the U.S. FDA Voluntary Qualified Importer Program in our raw material sourcing, and receive third-party certification from the Ecocert Group.

As we also produce organic products, we conform with stricter standards to ensure we are organic-certified, following international standards regarding farming practices and raw material storage. We provide incentives to our farmers and traders for their efforts in complying with the more stringent organic standards.



CNPF is a founding member of the tuna sustainability organization International Seafood Sustainability Foundation (ISSF), through our wholly owned subsidiary General Tuna. General Tuna is one of more than 20 seafood companies worldwide participating in ISSF's tuna conservation measures, maintaining 100% compliance according to the latest Conservation Measures & Commitments Compliance Report here:

https://iss-foundation.org/download-monitor-demo/download-info/issf-annual-conservation-measures-commitments-compliance-report-april-2021/

View ISSF's Annual Report here to learn more about our shared commitment to responsible seafood sourcing: <a href="https://reports.iss-foundation.org/2020-annual-report/welcome/And">https://reports.iss-foundation.org/2020-annual-report/welcome/And</a>

Also, explore the latest status of tuna stock health using ISSF's Interactive Stock Status Tool here: <a href="https://iss-foundation.org/about-tuna/status-of-the-stocks/interactive-stock-status-tool/">https://iss-foundation.org/about-tuna/status-of-the-stocks/interactive-stock-status-tool/</a>

CNPF uses primarily skipjack tuna sourced from the Western and Central Pacific Ocean whose stock health has been tagged 100% healthy based on the latest report and is the most abundant of the major commercial tuna species due to their short gestation periods.

### **ISSF** conservation measures



## Section 1: Regional Fisheries Management Organization (RFMO) Support

1.1 Tuna Regional Fisheries Management Organizations (RFMO) Authorized Vessel Record

CNPF purchases solely from vessels listed on the authorized vessel record of the RFMO governing the ocean area in which the tuna was caught, at the time of the fishing trip, so long as the vessel is of a size subject to listing in the RFMO authorized vessel record.



#### 1.2 RFMO Participation

CNPF strictly purchases from vessels flagged to a member or cooperating non-member of the RFMO relevant to the fishing area.



#### Section 2: Traceability & Data Collection

2.1 Product Traceability

CNPF ensures the ability to trace products from can code or sales invoice to vessel and trip.



#### 2.2. Quarterly Data Submission to RFMO

The company complies in sending quarterly information to RFMO scientific bodies on the last day of the immediately following calendar quarter.



### 2.3. Product Labeling by Species & Area of Capture



2.4. Supply Chain Transparency, Audit, Reporting and Purchase Requirements



#### **Section 3: Bycatch Mitigation**

3.1A. Shark-Finning Policy

CNPF establishes and publishes policy prohibiting shark finning.



## 3.1B. Prohibition of Transactions with Shark-Finning Vessels

The company refrains from transactions with vessels that have shark finned within two years of the product purchase date.



#### 3.1C. Prohibition of Transactions with Companies without a Public Policy Prohibiting Shark Finning

The company maintains a clear record of no transactions with companies that do not have a public policy prohibiting shark finning.



#### 3.2. Large-Scale Pelagic Driftnets Prohibition

The company has zero transactions with vessels using large-scale pelagic driftnets.



#### 3.3. Full Retention of Tunas

The company ensures that all purse seine caught tuna are retained onboard, except those unfit for human consumption as defined, or when in the final set of a trip, there is insufficient well space to accommodate all fish caught in that set.



#### 3.4. Skipper Best Practices

Unless exempt, partner vessels of the company ensure skippers have attended an ISSF Skippers Workshop in person, have viewed the Skippers Workshop video online, or have reviewed the Skippers Guidebook.



# 3.5. Transactions with Vessels that Use Only Non-Entangling Fish Aggregating Devices (FADs)

Transactions of the company are strictly only with those purse seine vessels whose owners have a public policy regarding the use of only non-entangling (NE) FADs.



### 3.6. Transaction with Vessels Implementing Best Practices for Sharks and Sea Turtles



3.7) Transactions with Vessels or Companies with Vessel-Based FAD Management Policies



### Section 4: Monitoring, Control and Surveillance

4.1. Unique Vessel Identifiers (UVI) – International Maritime Organization (IMO)

All purchases of CNPF are from vessels with an IMO UVI number if the vessel is capable of being registered by IMO.



#### 4.2. Purse Seine Unique Vessel Identifiers

All purse seine vessels with which the company transacts in tuna, and which are not able to receive an IMO UVI number, must have a TUVI issued by CLAV or ISSF.



#### 4.3 Observer Coverage

Partner Vessels provide evidence of 100% observer coverage (human or electronic) on large-scale purse seine vessels unless exempt or prevented by force majeure.



#### 4.4. Transshipments

Unless exempt, the company has no transactions in tuna where transportation included transshipment.



#### Section 5: Illegal, Unreported and Unregulated Fishing

5.1. Illegal, Unreported and Unregulated (IUU) Fishing

CNPF has no transactions with vessels on any tuna RFMO IUU vessel list.



## 5.2. Illegal, Unreported and Unregulated (IUU) Product Response

No IUU purchases. If IUU found, the company must withdraw these products from the marketplace.



#### **Section 6: Capacity**

6.1. Transaction Ban for Large-Scale Purse-Seine Vessels not Actively Fishing for Tuna as of December 31, 2012 Demonstrates that all purchases of largescale purse seine vessels are from vessels actively fishing for tuna as of December 31, 2012 and listed on the ISSF Record of Large-Scale Purse Seine Vessels.



6.2E. Purchases from Purse Seine Vessels in Fleets with Other Vessels Not in Compliance with ISSF Conservation Measures 6.1 and 6.2(a)

The company refrains from transactions in skipjack, bigeye, and yellowfin tuna caught by any and all large-scale purse seine vessels owned by business organizations or individuals that also own large-scale purse seine vessels not in compliance with ISSF Conservation Measures 6.1 and 6.2(a).



#### Section 7: ProActive Vessel Register

7.1A. Controlled Vessels - Purse Seine and Supply & Tender

Partnered vessels must register all controlled purse seine vessels on the PVR.



#### 7.2. Threshold Requirement for PVR Listing

7.3. Purchases from PVR Vessels – Purse Seine For fishing trips beginning on or after January 1, 2016, source 100% of skipjack, yellowfin and bigeye tuna caught by large-scale purse seine vessels from vessels registered in the PVR.



## Section 8: Exemption for Very Small Purse Seine Vessels

Very small purse seine vessels" with size of less than 30 GT are exempt from 3.4 Skipper Best Practices and 4.4A Transshipment



#### Section 9: Social and Labor Standards

Processors, traders, importers, transporters, marketers and others involved in the seafood industry shall develop and publish a public social and labor standards policy and/or

sourcing policy that applies to it and its supply chain, including production facilities and fishing and supply vessels

The Company's full compliance audit results as reported by MRAG are available on the ISSF website (<a href="http://iss-foundation.org/">http://iss-foundation.org/</a>) and on CNPF's website (<a href="http://www.centurypacific.com.ph/">http://www.centurypacific.com.ph/</a>).

As compliance entails strict adherence to certain raw material sourcing practices, our tuna suppliers are likewise accredited or fully compliant with standards mandated by government agencies as well as trade and industry organizations.

Our commitment is further reflected in our participation in the Global Tuna Alliance, a market-led initiative to deliver sustainable tuna, which formed the Tuna Traceability Declaration 2020 in support of the U.N. Sustainable Development Goal 14: Life Below Water.

In 2020, we expressed our intent to adopt the Global Dialogue on Seafood Traceability standards. The Global Dialogue is an international, business-to-business platform open to companies engaged in the seafood supply chain, along with invited technical experts and partner non-governmental organizations. It has issued the first-ever global standards for end-to-end seafood traceability, providing guidance on which information to monitor beginning from point of origin all the way to point of sale. The establishment of these standards is a momentous step for the industry as it strives for high standards with regard to ethical sourcing and combats illegal fishing and unethical labor practices.

We also support the use of sustainable fishing methods. For our Century Tuna Handline product, we employ a sustainable fishing method that eliminates by-catch and juveniles. This product is supported by WWF Philippines which encourages the development of small-scale tuna fishing sustainability programs.

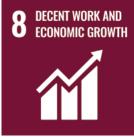






QUALITY





We commit to building a highly engaged, inclusive, and competitive workforce, as well as a workplace that provides equal opportunities, safeguards workforce well-being, and promotes professional and personal development, to support the company's current and future strategies and its sustainable success. We also commit to reducing hunger in the communities we adopt via impactful access to nutrition through our products and the livelihood projects we support.

### **Employees**

Above and beyond keeping our employees safe, our goal is to build a highly-engaged, inclusive and competitive workforce the supports current and

future strategies. These will be measured against the following metrics (with 2021 targets indicated below):

#### Goal

By 2025, build a highly-engaged, inclusive, and competitive workforce that supports current and future strategies.

#### **Talent Development**

27/

average training hours/EE

70%

training efficiency success rate

70%

training effectiveness success rate

#### **Talent Management**

93%

retention rate

5%

regrettable turnover 15%

internal fill rate

Succession Planning & Leadership Development

10%

critical roles filled from within

### **Employee Engagement**

70%

EE engagement index

#### **Diversity & Inclusion**

54%:46%

gender ratio (M:F) - CNPF-wide\*\* 58%:42%

gender ratio (M:F) – senior leadership 44%:56%

gender ratio (M:F) – middle management

<sup>\*\*</sup> Excludes manual/factory workers

#### **Diversity and Inclusion**

102-8	203-2	405-1	411-1
103-1	103-2	103-3	

The Company ingrains diversity and inclusion throughout the organization. Our Human Resources department plays the lead role in ensuring this through our hiring process, which places a premium on the skills and potential of applicants and does not discriminate based on ethnicity, religion, or gender.

Meanwhile, our tuna business is celebrating diversity and promoting inclusion by actively underscoring the positive contributions our LGBTQ+ employees bring into the organization. We encourage self-expression and provide platforms and activities that further enable this across the business.

Our Human Resources team has managerial responsibility for diversity initiatives. We aim to create more opportunities for employees to learn and embrace diversity in our workplace via networking groups, training and guidance, as well as mentorship programs, and to regularly monitor our progress with regard to diversity.

#### **Benefiting from Gender Diversity**

We are committed to further increasing diversity at executive levels.

Distribution of Employee Population by Gender excluding Manual Workers

	Female	
2019	52%	48%
2020	54%	46%
2021 target	54%	46%

% males vs % females middle management

2019	46%	54%
2020	44%	56%
2021 target	44%	56%

% males vs % females senior leadership

2019	61%	39%
2020	62%	38%
2021 target	58%	42%

#### **Anti-Sexual Harassment and Safe Spaces Policy**

Upholding our core value of Respect for Individual, we prohibit all forms of sexual harassment in our workplaces and in all business endeavors.

Working environment must at all times be supportive of the peace of mind, dignity and self-esteem of individuals.

A Committee on Decorum and Investigation on Sexual Harassment Cases is tasked to investigate and address complaints of gender-based sexual harassment. Committee membership is equally distributed among managerial, supervisory and rank and file employees. A woman is designated as committee head and at least half of its members are women.

17,896

### jobs supported

This number includes permanent CNPF employees, permanent employees under our sub-companies and affiliate companies, indirect hires, interns, and employees of suppliers whose operations rely primarily on us.

56%

of CNPF employees in middle management are female

2,655

indigenous workers supported

73%

# of plant employees come from the areas where we operate

In General Santos City, where our tuna and coconut manufacturing plants are located, 73% of employees are local hires. Our sardines plant in Zamboanga City has the highest rate of local hires at 92%. In our meat plant in Laguna, local hires are at 77%; while our milk plant in Taguig City has a local hiring percentage of 54%.

The Committee's tasks are as follows:

- 1. Receive complaints of sexual harassment;
- 2. Investigate sexual harassment complaints in accordance with the prescribed procedure;
- Submit a report of its findings with the corresponding recommendation to the Department/Division Head concerned for decision. The Office of the President through VP - HR and Corporate Affairs shall be provided with a copy of all resolved cases:
- 4. Lead in the conduct of discussions about sexual harassment (gender respect status) to increase understanding and prevent incidents of sexual harassment and promote gender respect efforts.

#### All Female Manufacturing Heads

Our manufacturing plants across all business units are led by highly capable women.



Marine/Tuna OEM Hermina Narciso 5 years wth CNPF



Meat Jinky Mercado 25 years wth CNPF



Milk Arlene Librella 16 years wth CNPF



Coconut Joyce Rebosura 3 years wth CNPF

#### **Talent Development**

404-1

404-2

404-3

As we regard our employees as partners in growing the business, we invest considerably in promoting their professional and personal growth. Apart from providing fair compensation and benefits, the Company offers opportunities for skills training, job enrichment, and career advancement while at the same time fostering work-life balance across the organization.

CNPF strives to be results-driven, promoting merit or rewards based on excellence and exemplary performance. As such, we have established policies that utilize a salary review system based on employee performance level as well as their contribution to the business.

While we set ambitious goals for the Company, we correspondingly empower our employees to achieve targets through skills enhancement complemented by continuous on-the-job coaching.

Operating in a labor-intensive industry, it is important to provide our supervisors and section managers with seminars and workshops that focus on employee and labor relations. We aim to equip and improve the knowledge, skills, attitude, and habits of our supervisors and section managers in detecting, id entifying, recording, reporting, and addressing minor work-related issues as well as in mitigating these to prevent them from escalating into major problems.

To support business goals, strategies, and business sustainability, we have an Executive Succession Management Program in place designed to develop and retain talents who may take on key senior management roles in the next three to five years. The first phase involves identifying potential successors from the organization's existing talent pool through competency- and values-based assessments. An

Individual Development Plan is then designed for each candidate based on their identified areas for development and implemented through a combination of formal training, social learning, and experiential learning to develop the competencies required by the roles they may assume in the future. The program is capped with a comprehensive competency assessment and performance evaluation to determine the readiness of the identified potential successors along with the preparation of final recommendations that can be acted upon by the Executive Committee.

Our coconut plant, in particular, has its own program that focuses on our people's growth. As we enable our high-potential rank-and-file employees to move up the ladder, it is as important that we ensure their success in their supervisory roles. We aim to develop competent, motivated, and engaged leaders and as such have created a competency framework to allow for a long-term and sustainable talent development program. Together with various experts, we facilitated training sessions for high-potential talents to eliminate competency gaps in communication skills, technical expertise, process discipline, collaboration, leadership, and problem solving. In addition, our Cadetship Program has completed three batches that have produced talents who currently hold key supervisory positions.

Apart from formal training programs, the Company offers alternative avenues for knowledge and skills enhancement to help prepare our employees for greater roles and responsibilities. We encourage interdepartmental teams to collaborate and propose innovative strategies and solutions for the company, widening their cross-functional and overall business perspective as well as tapping their creativity and problem-solving skills. Moreover, CNPF maximizes the benefits of modern technology through its Century Learn

Hub, an online learning platform containing resources on various topics starting from employee onboarding modules to daily learning (computer shortcuts, vocabulary, company trivia), leadership insights, micro learning modules on soft skills, and external courses. Employees are also given the opportunity to participate

in relevant events and meetings, and are encouraged to conduct echo sessions with their colleagues to share key learning and insights.

#### **Employee Engagement**

Our goal is to build a highly-engaged, inclusive and

competitive workforce that supports current and future strategies.

We retain our talent through good employee engagement, management relationships, and organizational culture.

# 26,984

### training hours

This is lower than 2019's due to the cancellation of face-to-face classroom training as a result of the pandemic.

# PHP5.4 million

### investment for employee training

Our investment for employee training declined year-on-year due to the deferral of face-to-face classroom training.

## 48%

### of employee new hires are women

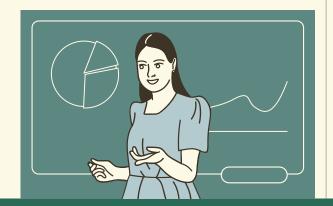
This is an improvement relative to 36% of employee new hires in 2019.

# 57%

### of total training hours given to women

This is an improvement compared to 47% of total training hours given to women in 2019.

	Male	Female
2019	53%	47%
2020	43%	57%



2%

### of total employee population promoted to a higher rank

Movements from the Rank-and-File level to Section Managers and Supervisors continue to make up the bulk, comprising 80% of total employee promotions. This group received the most training hours for the year to learn how to manage and lead people as well as prepare them for higher positions.



### average formal training hours for department managers

Our Department Managers got the most formal training in 2020 with an average of 19 hours. Our Executives, Section Managers and Supervisors, and Rank-and-File employees each got an average of 13, 11, and 8 training hours respectively.

#### **Workplace Safety**

CNPF is committed to ensuring the safety of its employees by protecting them from potential safety and health risks and hazards in the workplace. Safety measures are strictly enforced in all operating plants. Accidents are prevented or minimized through strict compliance with safety procedures, while contingency measures are in place to immediately address potential incidents. We continuously create a safety-oriented culture and develop a mindset that workplace safety is not just needed for compliance but ultimately for building a sustainable business.

The Company has in place the following policies to ensure a safe, productive, and supportive workplace:

- 1. Policy on Occupational Health and Safety ensures the personal well being of the work force in the workplace that is free of any hazards, and also ensures a workplace that is conducive to productivity.
- 2. Policy on Health and Safety Committee provides for the formation of a Health and Safety Committee for every subsidiary or business unit, making the committee accountable for the accident prevention program; inspection of workplace to detect unsafe conditions; review of inspection results, results of accident investigations and implementation of accident prevention programs; conduct of safety meetings at least once a month; necessary assistance to government inspecting authorities; training of employees in safe working habits and procedures; the development and maintenance of a Disaster Contingency Plan; and the organization of an Emergency Response Team to handle various crises such as Fire, Earthquake, Flood, Typhoon, Bomb Threat, Civil Disobedience and other manmade and natural disasters.
- 3. **Drug-Free Workplace Policy** ensures a focus on employee awareness (advocacy, education, and training), then treatment, rehabilitation, and referral as needed

- Policy on AIDS Prevention and Control efforts to promote public awareness about the causes, modes of transmission, consequences, and to promote means of prevention and control
- Policy and Program on Tuberculosis Prevention and Control – for the conduct of tuberculosis advocacy, training and education; medical management and social policies as needed
- Policy and Program on Hepatitis B allows for the availment of Hepatitis B education services for free
- Anti-Sexual Harassment and Safe Spaces Policy to ensure a working environment that is free from all forms of sexual harassment and is supportive of the mind, dignity, and self-esteem of individuals
- 8. Policy Statement on Human Rights the company is committed to respect and promote human rights in accordance with the United Nation Guiding Principles on Business and Human Rights in our relationships with our employees, suppliers, contractors, subcontractors, stakeholders, and visitors. Every employee and person we work with is entitled to human rights. Our Company will not discriminate based on sex, age, religion ethnicity, sexual orientation, gender or marital status. We will not tolerate any employees being subjected to any physical, sexual, racial, verbal, or any other forms of harassment.

To protect our employees through data privacy, our Information Technology department has executed initiatives to safeguard their personal information. Employee Information Security Policies and Procedures are in place to effectively mitigate any attempt of data breach. Our PC disk encryption system further secures personal data stored on employee desktops and laptops.

With regard to employee awareness on the matter, the Information Technology team regularly disseminates

email reminders on the Company's data privacy policies and guidelines, as well as conducts social engineering exercises to assess and decrease employees' susceptibility to online fraud or manipulation.

Accountability is shared with the Company's department heads to ensure proper implementation of its codified privacy and data protection protocols throughout the organization.

Confidential company information and business data such as product recipes are likewise covered by the information security policies and procedures instituted by the Information Technology department.











#### **Oplan Ligtas Lahat**

We will implement a free COVID-19 vaccination program for all our employees, in support of the government's national vaccination plan to safely reopen the economy.

The Company has contracted close to 70,000 doses through tripartite agreements between the Philippine government, the private sector, and vaccine manufacturers. These shall be administered for free, on a voluntary basis, to all CNPF employees nationwide, and in full compliance with the Department of Health's (DOH) guidelines on the vaccination roll out.

The Company's vaccination program will also cover dependents of its employees, and include assistance to key suppliers to secure the health of their own personnel.

In addition, 5,000 doses will be donated to the government through the DOH and will be deployed following its allocation framework and prioritization plan.

From the very beginning of this pandemic, the health and safety of our workers has been a top priority. We are proud to say that CNPF has been able to maintain a 99.99% COVID prevention rate across all our manufacturing facilities thanks to the strict implementation of health protocols. This has then enabled us to serve heightened consumer demand - undisrupted despite the surge – both domestically and abroad, in line with our goal of helping ensure food security especially to those who need it the most.

We are also currently conducting organization-wide information and awareness campaigns to increase our vaccination rate and reduce vaccine hesitancy among our employees. A company-wide multimedia communications campaign on the health benefits and safety of COVID-19 vaccines – tagged "Oplan Ligtas Lahat sa Century" – is now underway.

The Company earlier partnered with RelianceUnited – a wholly-owned subsidiary of United Laboratories, the leading pharmaceutical and healthcare provider in the Philippines –

to help ensure the health and safety of our employees and prevent the transmission of COVID-19. It implemented a COVID Infection Control Program that focuses on the long-term adoption of occupational safety and health measures, including future preparedness to help limit the impact of the virus. Telemedicine hotline services, including telephone-based medical consultation and triaging, diagnostic testing, and daily monitoring of health conditions are likewise made available to employees.

Keeping our employees safe and our factories productive will continue to strengthen our ability to provide affordable nutrition to our consumers. We also hope that providing the public access to vaccines through private sector donation to the Department of Health will contribute to improving the health of the general population, as well as that of the economy.



103-3

Aside from its key role in helping keep affordable food products on the shelf, CNPF has been actively supporting the public in its fight against COVID-19.

Last year, the Company provided a total of 6 million meals through various initiatives, including its flagship feeding program KAIN Po and donation of relief products to local government units.

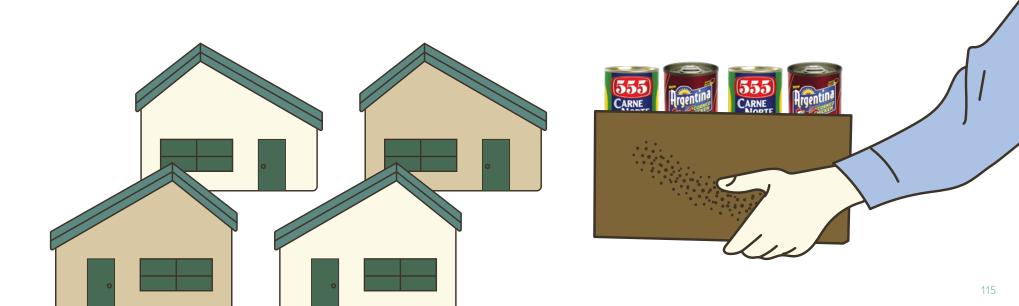
CNPF likewise supported the Ingat Angat joint publicprivate sector campaign to revitalize the economy, as well as the Pilipinas Kontra Gutom program aimed at achieving zero hunger over the next five years.

Through its affiliate company – the CPG-RSPo Foundation – CNPF is able to address some of the Philippines' major socio-economic problems such as hunger and malnutrition, lack of education, and environmental degradation.

The "KAIN Po" ("Let's Eat Please") program has been launching feeding programs in impoverished districts and provinces across the country since its beginnings in 2010. It primarily aims to improve the nutritional intake of students in the community, subsequently improving their health and increasing their energy and motivation to attend and actively participate in school. The program targets communities where there is limited access to affordable yet nutritious food, areas with a high concentration of impoverished families, and public schools with low enrolment or high incidences of student absenteeism. We enlist the participation of school principals and school heads to invite parents and other volunteers who are, in turn, trained in proper food handling and sanitation. These protein-packed lunch meals are prepared and provided daily to children in school. The "KAIN Po" program also reaches children on the streets and in other partner-organizations as it extends beyond

schools to include the larger community as well. To date, Kain Po's school- and community-based feeding program has donated over 35 million meals to schoolaged children across the past 10 years.

As the Philippines is prone to natural disasters, CNPF has always been one of the first responders to calls for relief operations, mobilizing our expertise, capabilities, and community resources to assist with recovery efforts. Partnering with Caritas Manila, University of Asia and the Pacific, Couples for Christ Foundation for Family and Life, Gawad Kalinga, Philippine Red Cross, and Department of Education, we have donated our ready-to-eat and easy-open canned products to families affected by the Battle of Marawi, North Cotabato earthquake, Taal Volcano eruption, and Typhoon Yolanda, among others. The support we provide also includes employee volunteerism and in-kind products and services to



help impacted communities recover. Our business units likewise respond to disaster relief efforts by delivering meals, food packs, and critical relief supplies, helping thousands of families rebuild their homes and communities.

Apart from efforts with the Foundation, our business units likewise have their respective initiatives that aim to contribute to community development.

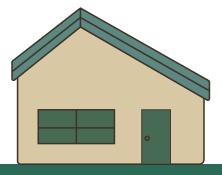
Our tuna business provides assistance to its plant workers in getting enough nutritious food that will result in better productivity and consistently good disposition at work. We are able to do this through our plant store where workers can purchase our products at lower prices. The business also participates in the Linksfarm Project which enables local farmers to sell their produce directly to merchant users. Through this, we are able to source our vegetable requirements locally while enabling local farmers to earn more through reduced transportation costs.

Our meat business, on the other hand, focused on providing affordable protein sources to poor Filipino families in the Visayas and Mindanao regions. In 2019, we introduced two new variants under the Wow! Ulam brand, namely Pochero and Humba. These were launched and well-received in various provinces as an affordable source of protein for the class D and E households.

Meanwhile, our coconut business supports the local coconut farming community in increasing its harvest productivity and encourages continuous planting which consequently ensure our steady supply of coconuts. We provide coconut seedlings to farmers for free, with 20,000 seedlings distributed since 2015. The business also introduces good agricultural practices such as proper organic and salt fertilization, encourages the practice of organic intercropping, and participates in tree planting activities. Through this initiative, we have engaged ten direct farm suppliers and are setting up buying stations where farmers can directly bring their produce for our consumption.

Lastly, our food service business has engaged with the Armed Forces of the Philippines and will provide filling yet convenient ready-to-eat meals, using our products, for soldiers in 2020 and 2021. We also partnered with a local supermarket in support of their project that aims to promote health and wellness and provide livelihood and employment opportunities to its participants. The initiative mounts several activities that include job fairs to enable community members to gain employment, financial wellness and livelihood seminars to equip them with skills to start and manage their own small business, cooking classes and cook fests to teach mothers how to prepare nutritious food using affordable ingredients, and a Superbods Zumba Dance Craze to promote wellness.







#### Waste-to-Cash program

The Company's waste-to-cash program not only helps reduce plastic, but creates additional livelihood for those most in need, with a focus specifically on women.

Women-owned sari-sari stores become collection points for post-consumer plastic waste. The Company has donated specialized containers that can hold up to 5,000 to 7,000 kilograms of post-consumer plastic to support in their role as the communities' aggregation hubs.

Residents can then sell, through their respective "Aling Tinderas", post-consumer plastic for a predetermined price per kilogram. This provides these low-income residents an easy source of extra income (while cleaning up their environment).

Once "Aling Tindera" fills up the container, the lot of postconsumer plastic is purchased at a mark-up – giving the women entrepreneur a profit as well.

Through this program, both sari-sari store owners and community members are given the opportunity to not only make extra income, but are also empowered to depollute the environment around them.

By incorporating sari-sari store owners into CNPF's broader plastic neutrality effort, it is helping build a strong network of women micro-entrepreneurs, who can be catalysts for sustainability in their respective communities.



#### **Donation of Rain Catcher Drums**

Colot Elementary School is situated far from the center of General Santos City. Each student walks approximately three hours just to go to school.

Due to the long distance, potable water is scarce in the area. The students need to walk to the nearby spring that is approximately one hour away.

In December 2019, we donated 20 water drums, which can hold 200 liters of water each. Whenever there is rain, each drum can fill three to five liters of rainwater. This is used by students for hygiene needs, including hand washing and toilet sanitation.



#### Livelihood Creation

#### Zamboanga

We partnered with Project Hope Agricultural Cooperative, a holistic interagency intervention meant to address the displacement of workers and their dependents during the closed fishing season.

Its current project is a Livelihood Demo Farm in Talisayan, Zamboanga City, with chili as the main produce.

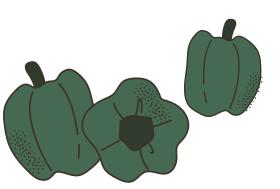
Through this initiative, an additional 26 jobs were created during the closed fishing season between December to February annually.

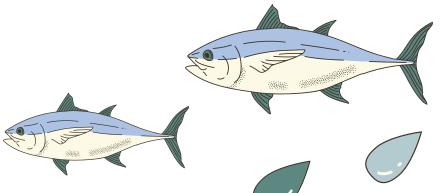


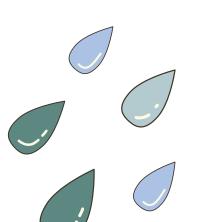
#### Saranggani

We partnered with Malungon Integrated Vegetable Grower's Association (MIVEGA) – a cooperative in Saranggani composed of 77 farmers. They cover a total land area of 112 hectares, which grow various vegetable requirements.

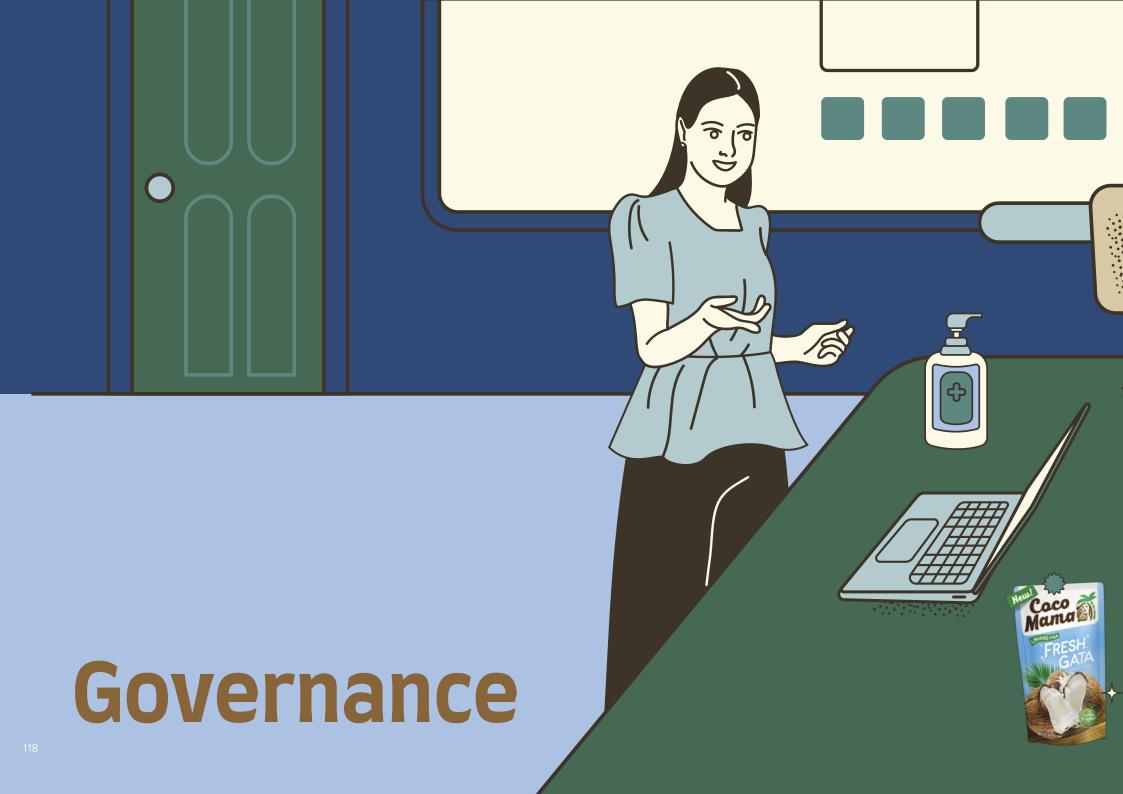
The cooperative supplies fresh bell pepper for our wholly-owned subsidiary General Tuna Corporation. Total volume bought directly from them amounted to 106,288 kilograms, equivalent to more than PHP4 million of produce.













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**Our Board of Directors** 

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### Ricardo S. Po. Sr.



Founder and Chairman Emeritus Filipino, 90

Date of Appointment October 28, 2013

Length of Service (as of 31 December 2020) 7 years

#### **Academic/Professional Qualification**

- A self-made entrepreneur, he started his professional career as a journalist then moved on to advertising where he started and managed Cathay Promotions Advertising Co. and later became a stock broker
- Founded CNPF in 1978 and grew it to become one of the largest branded food companies in the Philippines
- Awarded a Masters in Business Administration by the University of Santo Tomas in 2006
- Father of Ricardo Gabriel T. Po, Jr., Teodoro Alexander T. Po, Christopher T. Po, and Leonardo Arthur T. Po

### Christopher T. Po



Executive Chairman Filipino. 50

Date of Appointment October 28, 2013

Length of Service (as of 31 December 2020) 7 years

#### **Academic/Professional Qualification**

- Former Managing Director for Guggenheim Partners, a U.S. financial services firm where he was in charge of the firm's Hong Kong office
- Former Management Consultant at McKinsey and Company
- Former Head of Corporate Planning for JG Summit Holdings
- Graduated Summa Cum Laude from the Wharton School and College of Engineering of the University of Pennsylvania in 1991 with dual degrees in Economics (finance concentration) and Applied Science (system engineering)
- Holds a Master's Degree in Business Administration from the Harvard University Graduate School of Business Administration

- Member of the Board of Trustees of the Ateneo de Manila University as well as a member of the Board of Asia Society Philippines
- President of the CPG-RSPo Foundation

Present Directorship(s)/Position(s)
Other Publicly Listed Companies Affiliates:

- Chairman of Shakey's Pizza Asia Ventures Inc
- Director of Arthaland Corporation

### Teodoro Alexander T. Po



Vice Chairman, President, Chief Executive Officer Filipino, 51

Date of Appointment October 28, 2013

Length of Service (as of 31 December 2020) 7 years

#### **Academic/Professional Qualification**

- Graduated Summa Cum Laude from Boston University with a Bachelor of Science degree in Manufacturing Engineering in 1990
- Completed the Executive Education Program (Owner-President Management Program) at Harvard Business School
- Held various positions in Century Pacific since 1990. Designed, built, and managed several factories of the Group

# Present Directorship(s)/Position(s) Other Publicly Listed Companies Affiliates:

• Vice Chairman of Shakey's Pizza Asia Ventures, Inc.

### Ricardo Gabriel T. Po



Vice Chairman Filipino, 53

Date of Appointment October 28, 2013

Length of Service (as of 31 December 2020) 7 years

#### **Academic/Professional Qualification**

- Graduated Magna Cum Laude from Boston University with a Bachelor of Science degree in Business Management in 1990
- Completed the Executive Education Program (Owner-President Management Program) at Harvard Business School in 2000
- Former Executive Vice President and Chief Operations Officer of CNPF from 1990 to 2006

# Present Directorship(s)/Position(s) Other Publicly Listed Companies Affiliates:

- Vice Chairman of Shakey's Pizza Asia Ventures, Inc.
- Vice Chairman of Arthaland Corporation

### Leonardo Arthur T. Po



Director and Treasurer Filipino, 43

Date of Appointment October 28, 2013

Length of Service (as of 31 December 2020) 7 years

#### **Academic/Professional Qualification**

- Graduated Magna Cum Laude from Boston University with a Bachelor of Science degree in Business Administration
- Has extensive and solid business development experience in consumer marketing, finance, and operations of fast-moving consumer goods (FMCG), foodservice, quick-serve restaurants, and real estate development

Present Directorship(s)/Position(s)
Other Publicly Listed Companies Affiliates:

- Treasurer and Director of Shakey's Pizza Asia Ventures, Inc.
- Director of Arthaland Corporation

### Fernan Victor P. Lukban



Lead Independent Director Filipino, 60

Date of Appointment October 28, 2013

Length of Service (as of 31 December 2020) 7 years

#### **Academic/Professional Qualification**

- Highly regarded consultant in family business, strategy, entrepreneurship, and governance
- Holds undergraduate degrees in engineering (Industrial Management
   Mechanical from De La Salle University, Manila)
- Holds graduate degrees in economics (MSc in Industrial Economics from the Center for Research & Communication, now University of Asia & the Pacific) and in business (MBA from IESE Barcelona, Spain)
- Consultant, mentor, and guest lecturer at University of Asia & the Pacific
- Founding fellow of the Institute of Corporate Directors

Present Directorship(s)/Position(s)
Other Publicly Listed Companies Affiliates:

- Independent Director of Shakey's Pizza Asia Ventures, Inc.
- Independent Director of Arthaland Corporation

Other Non-Listed Companies/ Organizations - Non-Affiliates:

 Director of Central Azucarera de Tarlac, Inc. (CAT) <u>Johnip G. Cua</u> <u>Frances J. Yu</u>



Independent Director Filipino, 64

Date of Appointment October 28, 2013

Length of Service (as of 31 December 2020) 7 years

#### **Academic/Professional Qualification**

- Has extensive experience in the consumer goods and marketing industries, having served as President and General Manager of Procter & Gamble Philippines from 1995 to 2006
- Held a number of positions at Procter & Gamble, including Manager of Product Development and Project Supply at Procter & Gamble Taiwan and Category Manager of Procter & Gamble Philippines
- Recipient of the Agora Awards'
   Outstanding Achievement in
   Marketing Management (1998)
   and Procter & Gamble Global
   Marketing Organization's Passionate
   Leadership Award (2006)

 Holds a Bachelor of Science degree in Chemical Engineering from the University of the Philippines

# Present Directorship(s)/Position(s) Other Publicly Listed Companies Non-Affiliates:

 Independent Director of PAL Holdings, Inc., MacroAsia Corporation, and LT Group, Inc.

### Other Non-Listed Companies/ Organizations:

- · Chairman of Xavier School, Inc.
- Chairman and President of Taibrews Corporation
- Director of BDO Private Bank
- Director of Eton Properties Philippines, Inc



Independent Director Filipino. 51

Date of Appointment March 5, 2019

Length of Service (as of 31 December 2020) 2 years

#### **Academic/Professional Qualification**

- Former Chief Retail Strategist of Mansmith and Fielders, Inc.
- Former Vice President and Business Unit Head of Rustan's Supermarket
- Former Vice President and Head of Marketing Operations for Rustan's Supercenters, Inc.
- Founder of FJY Consulting, Inc.
- Former Vice President and General Manager of a marketing research and consulting firm catering to the top 500 corporations in several sectors
- Former Chairperson for the National Retail Conference and Stores Asia Expo (NRCE) Programs Committee of the Philippine Retailers Association from 2003 to 2005

 Graduated Summa Cum Laude from Fordham University, New York with a Bachelor of Arts degree in English Literature



Independent Director Filipino, 49

Date of Appointment March 18, 2021

#### **Academic/Professional Qualification**

- Has over 27 years experience, working in senior executive roles in developed and emerging markets in consumer goods, with proven results driving turnarounds and building businesses to scale
- Held various executive leadership positions as Global Vice President for Fabric & Fashion for Unilever PLC, Regional Vice President for Unilever Asia Africa & Middle East Deodorants, Vice President for Personal Care Unilever Philippines, and Marketing Director positions in Unilever Indonesia and China
- Awarded Asia Pacific Tambuli Chief Marketing Communications Officer of the Year

- Fellow at the International Women's Forum
- Completed the Senior Executive Education IWF Program and Leading Global Business Program at Harvard Business School
- Holds a bachelor's degree in Management Engineering from Ateneo De Manila University

Present Directorship(s)/Position(s)
Other Non-Listed Companies/
Organizations:

- Founder, Nada Debajo S.L., Barcelona
- Chief Energist, BetterBrandLabs, Inc., Manila



Director Filipino, 60

Date of Appointment
March 5, 2019 - March 15, 2021

Length of Service (as of 31 December 2020) 2 years

#### Academic/Professional Qualification

- Has over 25 years of experience as a marketing and advertising practitioner, having held senior positions at Unilever Philippines and J. Walter Thompson
- Occupied a Southeast Asia regional post as Vice President of Brand Development for Knorr for Unilever
- Former Managing Director for Unilever Foods Philippines handling the Knorr, Lady's Choice, Best Foods, and Lipton brands
- Former Marketing Director for the personal care division with an extensive portfolio of brands such as Sunsilk, Cream Silk, Rexona, Pond's, Dove, Close Up, and Vaseline

 Graduated Magna Cum Laude with a Bachelor of Science degree in Business Economics from the the University of the Philippines



### Christopher T. Po



### **Gregory Francis H. Banzon**



Executive Chairman
Year joined
2007



President & Chief Executive
Officer
Year joined



Executive Vice President & Chief Operating Officer

Year joined 2011

#### **Experience**

**Experience** 

Former Managing Director for Guggenheim Partners, a US financial services firm where he was in charge of the firm's Hong Kong office. Former Management Consultant at McKinsey and Company working with companies in the Asian region. Former Head of Corporate Planning for JG Summit Holdings. Holds a Master's Degree in Business Administration from the Harvard University Graduate School of Business Administration

#### Experience

Held various positions in Century Pacific since 1990. Designed, built, and managed several factories of the group. Completed the Executive Education Program (Owner-President Management Program) at Harvard Business School. Graduated Summa Cum Laude from Boston University with a Bachelor of Science degree in Manufacturing Engineering

1990

#### **Experience**

Served as General Manager and Business Unit Head at Century Pacific. Has over 20 years of experience in general management, marketing, and sales functions. Former General Manager of RFM Corp. Former Country General Manager of Johnson & Johnson Indonesia and VP for Marketing of Johnson & Johnson ASEAN. Agora Awardee for Outstanding Achievement in Marketing and for Export Marketing. Holds a bachelor degree in Commerce, Major in Marketing Management from De La Salle University

### **Edwin Raymond C. Africa**

### <u>Richard Kristoffer S. Manapat</u>





Vice President of Finance, Chief Financial Officer, Chief Risk Officer and Chief Information Officer

### Oscar A. Pobre



Vice President of Finance, Chief Financial Officer, Chief Risk Officer and Chief Information Officer

Has over 25 years of experience in in various general management, marketing and brand management roles in the Philippines and in various Asian countries such as Taiwan, Thailand, Singapore, Malaysia and China. Held management roles in Procter and Gamble, Nippon Paint and PepsiCo. Holds a bachelor degree in Management Engineering from Ateneo de Manila University

### Appointment Date February 2021

Year joined 2013

## February 2021

Retirement date

Year joined 1994

#### **Experience**

Held various positions in Century Pacific, including Head of Corporate Finance Planning and Finance Head of Tuna business unit. Certified Public Accountant, Certified Management Accountant and Certified in Agile with 15 years of experience in financial and management accounting, corporate planning, process excellence, and systems implementation. Graduated cum laude from the University of the Philippines with a degree in Business Administration and Accountancy. Completed the Strategic Business Economics Program from the University of Asia and the Pacific

#### Experience

Served as Director of Finance and Controllership Group at Century Pacific. Prior to that, he had 17 years of experience in various finance functions, including Budget & Cost Department Manager for Dole Philippines, Corporate Planning Manager for RFM Corporation, and Corporate Controller for Cosmos Bottling Corp. Holds a bachelor degree in Business Management from the Ateneo de Manila University and a Master in Business Management degree from the Asian Institute of Management

### Ronald M. Agoncillo



VP & GM - Milk Year joined 2009

#### **Experience**

Served as Century Pacific's VP for Sales, Trade Marketing and Demand Planning. Held various positions in national sales management, systems engineering, and logistics at Unilever Philippines and Indonesia, 3M, Shell, Cadbury, and San Miguel. Holds a Bachelor of Science degree in Industrial Management Engineering minor in Mechanical Engineering from De La Salle University and an alumni of Harvard Business School from his Executive Education Advanced Management Program

### Marie Nicolette G. Dizon



VP & GM - Refrigerated Products
Year joined
2019

#### **Experience**

Has over 15 years of experience in various general management, marketing, and sales roles in fast-moving consumer goods companies. Built expertise in turning around brands and businesses via strategy and operations transformation. Former Country Head of Froneri Philippines (Nestle's ice cream JV). Holds a bachelor degree in Management Engineering from Ateneo de Manila University

### Teddy C. Kho



VP & GM - Tuna OEM
Year joined
2011

#### **Experience**

Has over 20 years of experience in various management, operations and technical roles, including President and General Director of San Miguel Hormel Foods Vietnam and Plant Manager of San Miguel Hoecheong based in Quanzhou, China. Graduated from Adamson University with a bachelor degree in Chemical Engineering. Placed 5th in the Chemical Engineering Board Examination. Completed the Management Development Program from the Asian Institute of Management

### Cezar D. Cruz, Ir



VP & GM - Sardines, Food Service, Corp Engineering Year joined 2006

#### **Experience**

Has over 40 years of experience in various management, technical, manufacturing operations, and business development roles at San Miguel Group of Companies, RFM Corp and Goldilocks. President of the Canned Sardines Association of the Philippines. Licensed Electrical Engineer and holds a bachelor degree in Electrical Engineering from University of the Philippines

### Noel Anthony M. Tempongko, Jr



VP & GM - Coconut Year joined 2014

#### **Experience**

Served as General Manager of The Pacific Meat Company. Has over 25 years of experience in various general management roles in companies including San Miguel Packaging Products, Magnolia Inc, San Miguel Pure Foods- Great Food Solutions, The Purefoods-Hormel Company and Frabelle Corporation. Took up advanced management courses from the Asian Institute of Management. Holds a bachelor degree in Industrial Engineering from the University of the Philippines. Member of the Management Association of the Philippines

### <u> Wilhelmino D. Nicolasora, Jr</u>



VP - Domestic Sales
Year joined
2011

#### **Experience**

Held various management positions in Century Pacific, including National Sales Development Manager and eventually AVP for Trade Marketing & Sales Development. Held various sales management and regional roles at multinational companies such as Unilever Philippines, PepsiCo International and Kimberly-Clark Philippines & Thailand. Holds a bachelor degree in Industrial Engineering from De La Salle University

### George Leander Q. Wang III



VP – Human Resources & Corporate Affairs

Year joined 2020

#### **Experience**

Has extensive experience in human resources, strategic partnership and organizational building. Former VP for Human Resources at 2GO Logistics and Head of HR at Jollibee Philippines. Held HR leadership roles in Philip Morris International, San Miguel Corporation, and Globe Telecom. Former IT and change management consultant for Accenture. Graduated with a degree in Psychology from Ateneo de Manila University

### Gerald R. Manalansan



VP - Supply Chain Logistics

Year joined 2013

#### **Experience**

Served as Century Pacific's AVP of the Supply Chain Logistics Division, managing total Inbound and Outbound Logistics requirements on a national scale. Has 32 years of extensive experience in Total Supply Chain Logistics, mostly in fast-moving consumer goods companies within the San Miguel Group. Graduated with honors at Colegio de San Juan de Letran with a bachelor degree in Accountancy. Attended advanced management courses at the Asian Institute of Management

### Mary Jennifer S. Tan



**Group Procurement Director** 

Year joined 2015

#### Experience

Leads corporate procurement for Century Pacific Food, Shakey's Pizza and Pacifica Homes. Has over 20 years of extensive experience in end-to-end supply chain management, including strategic sourcing, procurement, logistics and third party manufacturing management in the Philippines and the ASEAN region. Previously held procurement leadership positions at Coca-Cola FEMSA, Avon Products, and SC Johnson. Earned MBA units from De La Salle University. Holds a bachelor degree in Chemical Engineering from De La Salle University

### Atty. Alvin A. Manuel



AVP - Employee and Labor Relations, Human Resources Delivery and Plant Business Partnership

Year joined 2020

### **Experience**

Spearheads the planning and implementation of all employee and labor relations program of the Group. Former HR Director of PepsiCola Philippines and HR Executive of Solaire Resorts and Casino. Lawyer by profession and holds a masteral degree from the Ateneo Graduate School of Business

### Daisy G. Engle



AVP - Corporate Research & Development

Year joined 2005

#### **Experience**

Has over 40 years of experience in various research and development roles in food manufacturing, including as a consultant for a plant protein producer. Responsible for managing the R&D groups of all business units of CNPF. She has undergone trainings on proteins and flavors in the US and Europe. Holds a bachelor degree in Chemistry and took post graduate courses in Food Science at the University of the Philippines

### Carina M. Lising



AVP - Food Service

Year joined 2012

#### **Experience**

Held various food service management, technical and sales positions at fast-moving consumer goods companies such as Procter and Gamble, Magnolia Inc, San Miguel Pure Foods, and Agrinurture Inc. Holds a bachelor degree in Chemistry from the University of Santo Tomas. Licensed chemist

### Victor Carlo S. Endaya



Marine Marketing Director
Year joined
2019

#### **Experience**

Former Vice President for Prepaid Marketing and Brand Strategy and Communications of Smart Communications. Former Global Brand Director of Hair Care for Unilever based in the United Kingdom. Graduated Magna Cum Laude with a bachelor degree in Industrial Engineering from the University of the Philippines

### Maria Demetria S. Siasoco



Meat Marketing Director

Year joined
2012

#### **Experience**

Has over 20 years of experience in brand, project management, and new product development in consumer and telecommunications industries. Held various marketing and brand management roles at CMC (now Unilever), Nestlé Philippines, Kraft Foods Philippines, Globe Telecom, and AirPhil Express. Earned a degree in Business Administration from Maryknoll College Foundation, Inc

### Raymund Ver R. Guinoo



Milk Marketing Director
Year joined
2018

#### Experience

Held various marketing, sales, and business development roles at Unilever Philippines, Unilever Malaysia and Singapore, and Globe Telecommunications. Graduated with honors at Ateneo de Manila University with a bachelor degree in Management Engineering

### <u>Bryan A. Lingan</u>



Emerging Business Marketing Director Year joined 2018

#### Experience

Had an extensive marketing career in Unilever spanning from local brand building in the Philippines, to regional and global brand development roles based out of Singapore across Foods, Ice Cream and Personal Care categories. Holds a bachelor degree in Management Engineering from Ateneo de Manila University

### <u>Faye Christine B. Matriano</u>



International Brands Marketing Director Year joined 2017

#### Experience

Has extensive experience in management of fastmoving consumer goods brands, such as Betty Crocker, Pillsbury, Haagen-Dazs ice cream, and Coca-Cola. Completed her Global Executive MBA from INSEAD. Completed her executive education in Strategic Marketing Management at Harvard Business School

### Adrian L. Campillo



Deputy General Manager – China Year joined 2018

#### Experience

Served as Century Pacific's National Sales Manager for Modern Trade and Head of Trade Marketing. Former Sales Director for Perfetti Van Melle and Concepcion Industries. Held various sales management roles in Colgate Palmolive Philippines. Holds a bachelor degree in Social Sciences from the University of the Philippines

### Ralph S. Umali



AVP - Modern Trade Sales Year joined 2013

### **Experience**

Has over 15 years of experience in sales leadership positions, with expertise in Modern Trade, Category Management, Sales Development and E-Commerce. Held various sales management positions at Unilever Philippines, including Head of Modern Trade, Customer Marketing and Retail Solutions (Ice Cream). Holds a Bachelor of Science degree in Legal Management from the Ateneo de Manila University

### Francis Y. Rodriguez



AVP - General Trade Sales
Year joined
2015

#### **Experience**

Has extensive experience in general trade sales operations of fast-moving consumer goods. Prior to joining Century Pacific, he was Head of General Trade and Mobiling in Unilever-RFM Inc (Selecta) Philippines. Holds a bachelor degree in Industrial Engineering from De La Salle University

### Joseph Edwin A. Quimpo



AVP - Trade Marketing, Category Management & Emerging Markets

Year joined 2012

#### Experience

Built Century Pacific's demand planning systems and processes and worked with stakeholders in optimizing trade marketing budgets. Held various demand planning and inventory management roles in Beiersdof Philippines, Del Monte, and McKenzie Distribution. Holds a bachelor degree in Management Engineering from Ateneo de Manila University

### <u> Honelet C. Sayas</u>



AVP - Quality Assurance & Technical Services Year joined 2002

#### Experience

Has over 20 years of experience in various research and development and quality assurance roles. Served as R&D Supervisor in Nenita Quality Foods Corp and Quality Assurance Technologist in Valley Ranch Foods Corp. Holds a bachelor degree in Food Technology from the University of the Philippines

### Robert Crisencio C. Manansala



Fish Procurement Director

Year joined
1998

#### Experience

Has been with CNPF for 23 years and held various management positions including Export Sales Assistant Manager

### Janina Mara T. Mendoza



AVP - Export Business
Year joined
2006

#### Experience

Held various management positions in Century Pacific's export operations, including International Sales Officer and Sales and Marketing Manager. Completed postgraduate studies in Management at the University of Asia and the Pacific. Holds a bachelor degree in Humanities from the University of Asia and the Pacific

### Herminia B. Narciso



AVP - Tuna Plant Operations
Year joined
2016

#### **Experience**

Has over 25 years of experience in quality assurance and plant operations. Held various operational management roles in Century Pacific, including Plant Manager of the tuna and coconut operations. Previously served as VP for Plant Operations at Alliance Select Foods International. Holds a bachelor degree in Chemistry from Western Mindanao State University

### Arriel S. Onesa



AVP – Sardines Manufacturing Year joined 2008

#### **Experience**

Held various management roles in Century Pacific's sardines operations, including Plant Finance Comptroller and Plant Manager. President of the Industrial Group of Zamboanga and Vice Chairman of DOLE9 ITC for Fishing & Canning. Certified Public Accountant. Holds a bachelor degree in Commerce, Major in Accounting from Ateneo de Zamboanga University

### Jinky M. Mercado



AVP - Meat Manufacturing
Year joined
1996

#### **Experience**

Held various quality assurance, research and development, and production management roles, including Plant Manager of Century Pacific's Meat Division. Started her career at Inglenook Food Corp working in quality assurance and R&D. Holds a bachelor degree in Food Technology from Polytechnic University of the Philippines

### Cesar N. Orila



AVP – Milk Operations Year joined 1996

#### Experience

Has over 40 years of experience in plant operations, manufacturing, quality assurance and supply chain. Served as Century Pacific's Director of Quality Assurance & later AVP for Operations. Former Regional Director of Quality Assurance at Pepsi-Cola International. Holds a bachelor degree in Chemistry from the University of the Philippines

### Arlene A. Librella



AVP - Milk Manufacturing Year joined 2004

#### Experience

Held various management roles at Century Pacific's milk and tuna operations, including Plant Manager, Production Manager, Quality Control Manager and Corporate QA Chemist. Holds a bachelor degree in Chemistry from the University of the Philippines Diliman

### Corazon Joyce R. Rebosura



AVP & Technical
Director - Coconut

Year joined
2017

#### Experience

Chemical Engineer with over 20 years experience in beverage manufacturing in Coca-Cola. Led total factory operations covering production, quality, engineering and maintenance, logistics, demand and operations planning, procurement, finance and HR

### **Emmanuel B. Mernilo**



AVP - Packaging & Purchasing Year joined 1993

#### Experience

Concurrently serves as head of Millennium General Power Corp and Millennium Land Development Corp. Has over 25 years of experience in general management, finance and accounting, and plant operations. Served as the business unit controller of Century Pacific's Tuna OEM division. Holds a bachelor degree in Accounting from Philippine Christian University. Completed the Management Program from the Asian Institute of Management



2014





AVP - Information Technology
Year joined
2010



AVP - Investor Relations & Treasury

Year joined



AVP - Sales Finance Year joined 1997

#### **Experience**

Held various positions at Intel, including Global Automation Assembly/Test Technology Development Integration Manager, Strategic Computing Enabling Manager, Philippines IT Manager and Data Automation Head. Completed the Management Development Program of Asian Institute of Management. Holds a bachelor degree in Electrical Engineering from the University of the Philippines

#### Experience

Held leadership roles in major M&A and capital-raising initiatives of the Century Pacific Group. Awarded as Best IR Officer Small-Mid Cap and Rising Star in Southeast Asia by IR Magazine in 2019 and Best IR Professional in the Philippines by Institutional Investor in 2020. Chartered Financial Analyst. Holds a bachelor degree in Management Engineering from Ateneo de Manila University and holds a Master's Degree in Business Administration from Columbia Business School

#### Experience

Held various management roles in Century Pacific, including Business Unit Controller for the marine and milk segments. Part of the core team that set up the Company's international operations in North America and China. Previously worked at RFM Corp. Certified Public Accountant and Certified Management Accountant. Holds a bachelor degree in Business Administration and Accounting from University of the East

### Analyn C. Teodosio



AVP -Meat Finance Year joined 1999

## <u>Dionisio A. Balagso</u>



AVP - Corporate Controllership Year joined 1995

# Samuel V. Santillan



Chief Audit Executive Year joined 2008

# Compliance Officer

Atty. Maria Rosario L. Ybañez

Year joined 2018

#### **Experience**

Has over 21 years of extensive experience in audit, credit and collection, financial reporting, taxation, cost and management reporting and plant controllership in fast-moving consumer goods industry. Started her career in SGV & Co as associate auditor. Certified Public Accountant and Certified Management Accountant. Earned MBA units from the Ateneo Graduate School of Business

#### **Experience**

Served as auditor for Pepsi-Cola and Datagraphics Inc. Holds a bachelor degree in Business Administration in Accounting from University of the East

#### Experience

Has over 37 years of experience in auditing, finance, and accounting management roles. Worked with various companies in the auditing, manufacturing, shipping, retail and trading industries, including SGV & Co, PepsiCo Inc, Baliwag Navigation, NutriAsia, Marsman Drysdale Inc, and Pilipinas Makro Inc. Obtained MBA units from De La Salle University

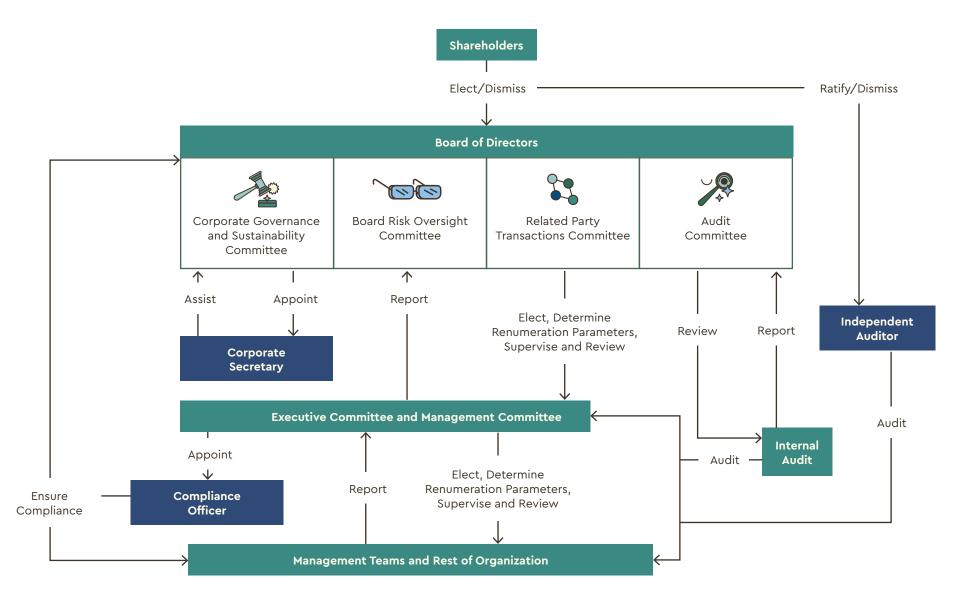
### **Experience**

Concurrently serves as the Corporate Secretary of Shakey's Pizza Asia Ventures. Over 20 years of experience in corporate, civil, criminal, labor, and intellectual property law. Graduated from Ateneo de Manila University with a Bachelor of Science degree in Legal Management, and received a Juris Doctor degree from Ateneo de Manila University, School of Law



The Company recognizes the importance of good governance in successfully progressing in its sustainability journey and creating greater value for shareholders. We believe that good corporate governance is to span across our entire value chain

to ensure the organization operates along the lines of business ethics, complies with rules and regulations, and adheres to fair labor practices as we continue to fulfill our multiple economic, moral, legal, and social obligations towards our stakeholders.



### **Shareholders**

Shareholders are encouraged to actively participate by exercising their rights. Such rights include the following, among others:

- 1. Participating and voting during stockholders' meetings
- 2. Exercising the appraisal right on instances stated in Section 81 of the Corporation Code
- 3. Voting and being voted as director or officer of the Company
- 4. Inspecting records of all the Company's business transactions and minutes of any meeting
- 5. Receiving dividends declared by the Board of Directors
- 6. Sharing in the distribution of the Company's remaining assets after its dissolution and liquidation

Shareholder rights can be found in the Company's By-Laws and Manual on Corporate Governance which are available on the CNPF website.



### **Board of Directors**

The Board of Directors (the Board) is to act in the best interest of the Company and all its shareholders. The following are some of the roles and responsibilities of the Board.

#### To the Company

- Approve the selection and assess the performance of Senior Management and other control functions
- 2. Ensure an effective performance management framework is in place to certify Management and personnel performance are at par with set standards
- Supervise the proper implementation of and compliance to the Code of Business Conduct and Ethics, including standards for professional and ethical behavior for internal and external dealings
- 4. Attend and actively participate in all meetings of the Board and its respective committees
- 5. Oversee the development of and approve business objectives and strategies and monitor their implementation
- 6. Assure the Company has an appropriate internal control system, including a mechanism for managing potential conflicts of interest of the Board, Management, and shareholders
- 7. Make certain there is a sound enterprise risk management framework for key business risks

#### **To Shareholders**

- 1. Encourage active shareholder participation and minimize costs and administrative impediments to said participation
- 2. Be transparent about and fairly promote shareholder rights, and provide processes and procedures for them to follow
- 3. Attend and actively participate in all shareholders' meetings
- 4. Have a formal and transparent board nomination and election policy
- 5. Establish corporate disclosure policies and procedures to ensure the comprehensive, accurate, reliable, and timely report of relevant and material information, including non-financial information

Further details may be found in the Board Charter available on the Company website.

# Composition of the Board of Directors

The Board of Directors is to have a collective working expertise that is relevant to the Company's industry or sector.

Majority of the Board should consist of non-executive directors in order to secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.

Additionally, at least three or one-third of the Board whichever is higher, must be independent directors.

This ensures that no director or group of directors can dominate the decision making process, protecting the Company's interest over the interest of individual shareholders.

A lead independent director is designated should the Chairman of the Board not be independent and is authorized to lead the Board in cases where management has clear conflicts of interest.

The diversity of our Board of Directors is vital as we aim to create a diverse and inclusive organization. The Company's Board Diversity Policy can be found in its Board Charter.

### **Current Composition**





Board members

44% Independent

Independent Directors

Average age NON-EXECUTIVE DIRECTOR

**3** Board Seats Held in Publicly **Listed Companies** on Average

Directors

■ EXECUTIVE DIRECTOR

**Qualifications** 

The Board ensures that it has an appropriate mix of competence and expertise. Its members should also remain qualified for their positions individually and collectively in order to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

The qualifications of directors, among others, include:

1. College education or equivalent academic degree

- 2. Practical understanding of the business of the Company
- 3. Good standing in the relevant industry, business, or professional organization
- 4. Relevant previous business experience

In addition to the above, non-executive directors can only concurrently serve as directors in a maximum of five publicly listed companies to ensure he or she can allot sufficient time for company matters.

### Training

The Company has set guidelines and procedures concerning the orientation program for first-time directors.

Its directors attended corporate governance seminars conducted by the Institute of Corporate Directors (ICD) in August 2020.

### **Succession Plan**

The Board ensures that an effective succession planning program for directors and key officers is in place. This is to help secure the continuous growth of the Company.

#### **Board Meeting Attendance**

C - CHAIRMAN

VC - VICE CHAIRMAN

M - MFMBFR

Details	Membership and Attendance			
	Stockholder & Board			
Meeting	Annual Stockholder	Regular*	Special*	
No. of Meetings			13	
<b>Ricardo S. Po, Sr.</b>	_	_		
Chairman Emeritus	1/1	4/4	13/13	
<b>Christopher T. Po</b> Executive Chairman	C	C	C	
	1/1	4/4	13/13	
<b>Teodoro Alexander T. Po</b> President and CEO	_	M	M	
	1/1	4/4	13/13	
<b>Ricardo Gabriel T. Po</b>	_	VC	VC	
Vice Chairman	1/1	4/4	13/13	
<b>Leonardo Arthur T. Po</b>	_	M	M	
Treasurer	1/1	4/4	13/13	
<b>Eileen Grace Z. Araneta</b> Director	_	M	M	
	1/1	4/4	13/13	
<b>Fernan Victor P. Lukban</b>	_	M	M	
Independent Director	1/1	4/4	13/13	
Johnip G. Cua	_	M	M	
Independent Director	1/1	4/4	13/13	
Frances J. Yu	_	M	M	
Independent Director	1/1	4/4	13/13	

<sup>\*</sup> IN 2020 AND DURING THE INCUMBENCY OF THE DIRECTOR

## Committees of the Board of Directors

The Board Committees are to support the effective performance of the Board's functions. Their purpose, memberships, structures, and responsibilities are further discussed in the Committee Charters available on the Company website.



### **Audit Committee**

The Audit Committee is tasked to oversee Senior Management in maintaining an effective internal control framework which is able to provide assurance in areas including reporting, monitoring compliance with laws, regulations, and internal policies, and the efficiency and effectiveness of operations.

It ensures that both internal and independent auditors are to have unrestricted access to all records, properties, and personnel to enable them to perform their audit functions independently from one another.

It is composed of at least three non-executive directors, the majority of whom, including the Chairman (who should neither be Chairman of the Board nor of any other committee), should be independent. All must be experienced in the areas of accounting, auditing, and finance.

The Audit Committee meets with the Board at least every quarter without the presence of the Chief Executive Officer or any other member of the management team.

#### Internal Audit

The Audit Committee has an independent Internal Audit function that provides objective assurance and consulting services, monitoring and guiding the implementation of company policies and bringing a systematic approach to evaluating and improving the effectiveness of the Company's governance, risk management, and control functions.

The Committee oversees Internal Audit, recommending the approval of the Internal Audit Charter which contains the function's responsibilities and plans. It ensures the independence of the Internal Auditor and reviews and monitors Management's responsiveness to Internal Audit.

Additionally, the Audit Committee periodically meets with the Chief Audit Executive, whose appointment is recommended by the Committee.

Samuel V. Santillan was re-appointed as the Company's Chief Audit Executive and has 25 years of experience in auditing, finance, and accounting management roles in various companies prior to joining CNPF in 2008.

Internal Audit is to render an annual report on its responsibilities, activities, and performance relative to the audit plans and strategies approved by the Audit Committee.

It is also to provide a statement declaring whether it is compliant with the International Standards for the Professional Practice of Internal Auditing.

Internal Audit assists the Audit Committee to ensure:

- 1. Reliability and integrity of financial and operating information
- 2. Compliance with policies, plans, procedures, laws, and regulations
- 3. Safeguard of assets
- 4. Resources are economically and efficiently used
- 5. Results of operations and programs are consistent with established objectives, goals, and plans

#### **External Audit**

The Audit Committee has a robust process for approving and recommending the appointment, re-appointment, removal, and fees of the independent auditor. It should be alerted for any situation that may potentially rise due to conflicts of interest which could impair the independent auditor's objectivity.

Navarro Amper & Co. was re-appointed as the Company's independent auditor for 2020 during the Annual Stockholders' Meeting last June 30, 2020, with Bonifacio F. Lumacang, Jr. as the engagement partner. It is to assess the Company's audited financial statements and provide its judgment on the compliance of said statements with the Philippine Financial Reporting Standards.

In 2020, Navarro Amper & Co. was paid PHP5.68 million for their audit services. Navarro Amper & Co. is the local practice of the Deloitte Touche Tohmatsu Limited Global Network.

### **Board Risk Oversight Committee**

The Board Risk Oversight Committee is to oversee the Company's enterprise risk management system to ensure its functionality and effectiveness. Its responsibility is to supervise Management's activities in managing credit, market liquidity, and operational, legal, and other risk exposures.

It comprises at least three members, and at least one member should be knowledgeable in risk and risk management.

The Committee should always have clear communication with the Chief Risk Officer. Richard S. Manapat, the Company's Chief Finance Officer, was appointed as Chief Risk Officer on February 1, 2021.

### Corporate Governance and Sustainability Committee

The Corporate Governance and Sustainability Committee is responsible for ensuring the Company's compliance with corporate governance principles and practices. It periodically reviews the Company's corporate governance framework to ensure it remains appropriate given material changes in the corporation's size, complexity, strategy, and business and regulatory environments.

The Committee's responsibilities also include sustainability matters which involve environmental, social, and sustainability governance concerns.

The Committee is also to function as a Nomination and Remuneration Committee, determining the nomination and election process and establishing a formal and transparent procedure in developing a policy for determining remuneration.

It comprises at least three members, all of whom should be independent, including the Chairman.

### **Related Party Transactions Committee**

The Related Party Transactions Committee is tasked to review all material related party transactions of the Company. It also informs regulating and supervising authorities relating to the Company's related party transaction exposures and ensures appropriate disclosures are accomplished.

The Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.

#### **Committee Meeting Attendance**

C - CHAIRMAN

M - MEMBER

Details	Membership and Attendance				
	Board Committee				
Meeting	Audit Committee	Corp Gov and Sustainability Committee	Board Risk Oversight Committee	Related Party Transactions Committee	
No. of Meetings					
<b>Ricardo Gabriel T. Po</b> Vice Chairman	M 4/4	_	M 1/1	M 2/2	
<b>Eileen Grace Z. Araneta</b> Director	_	_	C 1/1	_	
<b>Fernan Victor P. Lukban</b> Independent Director	C 4/4	M 2/2	M 1/1	M 2/2	
<b>Johnip G. Cua</b> Independent Director	_	C 2/2	_	C 2/2	
Frances J. Yu Independent Director	M 4/4	M 2/2	_	_	

# Report of the Audit Committee to the Board of Directors

For the year ended 31 December 2020

The Audit Committee is tasked to oversee Senior Management in maintaining an effective internal control framework. The Audit Committee held meetings every quarter last year and discussed the following:

- Internal Audit results; discussions with Deloitte for 2019 Audit
- Presentation of Q1 Unaudited FS; IT Audit; COVID Updates
- Presentation of Q2 Unaudited FS; COVID Updates; Internal Audit Updates
- Presentation of Q3 Unaudited FS; External Audit 2020 Plan; Internal Audit

Report of the Corporate Governance and Sustainability Committee to the Board of Directors For the year ended 31 December 2020

The Corporate Governance and Sustainability Committee is tasked with ensuring that good corporate governance principles and practices are complied with and observed by the company. In line with this mandate, the Committee met twice and accomplished the following in 2020:

- The Corporation has partnered with Business for Sustainable Development to establish a sustainability framework. The Corporation has likewise engaged with The Purpose Business to create a sustainability strategy.
- 2. Discussed the Company's Sustainability Framework to be focused on Protein Delivery, Planet Preservation, and People Development

Report of the Board Risk Oversight Committee to the Board of Directors For the year ended 31 December 2020

The Board Risk Oversight Committee is tasked to oversee the Company's enterprise risk management system to ensure its functionality and effectiveness. The Committee discussed the following:

- COVID-19 risk assessment and mitigation measures
- 2. Issues in supply chain and risks relating to health and safety in plants and in the office

Report of the Related Party Transactions Committee to the Board of Directors

For the year ended 31 December 2020

The Related Party Transactions Committee is tasked to review all material related party transactions of the Company. The Committee discussed the following:

 Amounts covering related party transactions of the Company with affiliates in the Century Pacific Group of Companies





### **Corporate Secretary**

The Corporate Secretary is to keep abreast of relevant laws, regulations, governance issuances, industry developments, and operations of the Company and advise the Board on all relevant issues as they arise.

Atty. Manuel Z. Gonzales was re-appointed as the Company's Corporate Secretary on June 30, 2020. He has been a Senior Partner in the Martinez Vergara Gonzalez & Serrano Law Office since 2006. Atty. Gonzales attended an eight-hour corporate governance seminar conducted by the ICD in August 2020.

Atty. Gwyneth S. Ong was re-appointed as the Company's Assistant Corporate Secretary on June 30, 2020. She has been a Partner at the Martinez Vergara Gonzalez & Serrano Law Office since 2015, having extensive experience in a broad range of securities and capital market transactions.

### **Compliance Officer**

The Compliance Officer is responsible for determining and measuring the Company's adherence with its Manual on Corporate Governance, relevant laws, the Code of Corporate Governance for publicly listed companies, SEC rules and regulations, and all governance issuances of regulatory agencies.

Atty. Maria Rosario L. Ybañez was re-appointed as the Company's Compliance Officer on June 30, 2020, and has been involved in the practice of corporate, civil, criminal, labor, and intellectual property law since 2001.

### **Executive Team**

The Executive Team, along with the rest of the Management team, answers to the Board of Directors and is responsible for the operations and performance of the Company. It concretizes the Company's objectives and targets by executing its strategies and attaining set targets. The Team is spearheaded by the Chief Executive Officer (CEO).

The positions of CEO and Chairman of the Board are held by separate individuals. Their roles in the organization are distinguished below:

#### **Chief Executive Officer**

- Supervise, monitor, and control operational activities and performance
- 2. Oversee operational alignment and operating structures
- Determine the Company's strategic direction and implement its short- and long-term strategic plans
- 4. Oversee operations and all day-to-day management decisions of the Company
- 5. Manage the Company's resources prudently

#### **Executive Chairman**

- Maintain qualitative and timely lines of communication and information between the Board and Management
- Preside Board meetings and ensure its focus on strategic matters such as the Company's overall risk appetite, key governance concerns, and contentious issues that will significantly affect operations
- 3. Chair weekly Executive Committee meetings, with the option to join Management Committee meetings
- 4. Focus on strategic development of newer business units, new growth initiatives, and special projects

 Serve as the link between internal and external stakeholders and provide stockholders with a balanced and comprehensible assessment of the Company's performance, position, and prospects

### Rest of the organization

The rest of the organization completes the Company and supports its strategies in order to achieve its ever-growing targets. With competent professionals who embody the core values, CNPF is able to fulfill its purpose of nourishing and delighting everyone, everyday, everywhere. As such, attracting, developing, and retaining talent across the organization is of key importance.

The Company maintains strict policies on Health & Safety in all business lines, Anti-Sexual Harassment, Anti-Tuberculosis, Drug Free Workplace, and Executive Medical Check-Ups.

Moreover, we have policies on annual merit increases and salary adjustments that are tied up to the employees' performance assessments. CNPF proudly promotes a culture of recognition and value for key and high-performing employees who demonstrate excellence at the workplace. Performance is the main driver for total rewards. Rewards programs are therefore differentiated across businesses and among employees according to their contributions and levels of performance, with a significant share given to those who are high-performing.

The Company's policies on the following business conduct and ethics affecting the directors, senior management, and employees are discussed below:

#### **Compliance with laws**

All employees, in the conduct of business, are obliged to comply with all relevant laws and regulations.

#### Corruption, extortion, and bribery

The Company prohibits all forms of corruption, extortion, and bribery such as borrowing or receiving money, commissions, and offers of promises, or soliciting material favors from suppliers or customers/clients with which the Company has business relationships for his or her own personal benefit.

#### **Conflicts of interest**

The Company respects the rights of its employees to manage their affairs and investments and does not wish to impinge upon their personal lives. At the same time, employees should avoid situations that present potential conflicts between their interests and interests of the Company. Also, any activities that create even just the appearance of a conflict of interest should be avoided.



#### No gift policy

All employees are not allowed to solicit or receive gifts from suppliers, customers/clients, service providers, business partners, and other similar entities for whatever purpose.

Specifically, gifts sent by parties above or received from these parties must be reported to the immediate superior and forwarded to the Human Resources Department for action.

#### **Insider trading**

The Company's Insider Trading Policy states that all managers and up are strictly prohibited from buying or selling CNPF shares for five trading days prior to the release of and up to three trading days after the disclosure of reports containing material information. Notices of said trading blackouts are issued to covered persons by email.

#### Use of non-public information

All employees, upon joining the Company, are required to sign and adhere to a confidentiality agreement.

All information about the Company should be obtained legitimately and will be used only for legitimate purposes in compliance with internal policies and relevant antitrust laws and regulations.

#### **Reporting of personal transactions**

All controlling shareholders, directors, and executive officers must report any of their dealings in the Company's shares as well as any changes in their beneficial shareholdings in the Company to the Compliance Officer.

Said persons are required to report these transactions within three business days from the transaction date, after which the Compliance Officer will promptly disclose, according to relevant rules and regulations, the buy or sell details to the Philippine Stock Exchange and Securities Exchange Commission.

#### Use of company assets

The Company, as a matter of policy, entrusts company assets to employees because of the nature of their job. For this reason, it shall be the duty of the employee to act as responsible custodians, to exercise due care and diligence, and to comply with recording/documentary requirements of the assets.

#### **Conflict resolution**

The Company provides a work environment that is conducive to friendly resolution of disagreement. Superiors are responsible for promoting amicable settlement of conflicts among members of their team with the support of Human Resources.

#### **Disciplinary action**

Disciplinary actions are meted only after due process. The Company has a Code of Conduct that serves as a guide for the employees' behavior.

#### Whistleblower policy

The whistleblower policy provides an avenue for employees to report misconduct of fellow employees, including their superiors, while protecting the employee's identity and welfare. Said reports of employees may be done anonymously, and all reports are treated confidentially.

Good faith reporters are encouraged and empowered to report their concerns and are protected from adverse consequences, victimization, harassment, or inappropriate disciplinary action as a result of any disclosure. Our Human Resources team has established structures to effectively process and respond to these reports.

The whistleblower policy is regularly communicated to employees for their reference and information. We will work on making our whistleblower policy available in local languages.

The whistleblower may submit in writing directly to the Head of Corporate Human Resources or via email to cpgethics@centurypacific.com.ph

#### Fair trade

Business is dictated by free competition with prices dictated by supply and demand. Employees are required to comply with fair trade practices.

#### Product quality and responsible innovation

Products and services are delivered to meet the specifications, quality, and safety criteria specified in the relevant contract documents and are safe for their intended use. Research and development are conducted responsibly and are based on good clinical practice and generally accepted scientific, technological, and ethical principles.

#### Data privacy

The Company has appointed Paul V. Hernandez as its Data Privacy Officer to address corporate compliance with the Data Privacy Act of 2012, its Implementing Rules and Regulations, and other relevant policies, including issuances of the National Privacy Commission.

The Company has also codified the privacy and data protection protocols that need to be observed and carried out primarily by all department heads who are fully accountable in ensuring that their units' private information as defined are processed in a secure manner.

#### **Employment & labor laws & policies**

The Company is committed to upholding the rule of law and respect for the rights of labor.

Our fundamental employment principles are based on Philippine regulations and include the following:

- 1. Business is conducted lawfully and with integrity.
- 2. Work is conducted on the basis of freely agreed and documented terms of employment with legal compliance.
- 3. All workers are treated with respect and dignity.
- 4. Work is conducted on a voluntary basis with no forced or compulsory labor.
- 5. All workers are of an appropriate age.
- 6. All workers are paid fair remuneration.
- 7. Working hours for all workers are reasonable.
- Our company ensures a healthy and safe working environment, assessing risk and taking all necessary measures to eliminate or reduce it to protect the workers at work. Safety is our main priority.
- 9. Workers have access to procedures.
- 10. Business is conducted in a manner that embraces sustainability and reduces environmental impact.
- 11. Progress and compliance are monitored through an internal audit and inspection process.



# Other Company Policies

# Environmental, Social, and Governance (ESG) Policy

Century Pacific Food, Inc is one of the largest branded food companies in the Philippines. We are primarily engaged in the manufacturing, marketing, and distribution of processed marine, meat, milk, and coconut products.

We are driven by our core purpose to nourish and delight everyone, everyday, everywhere through our responsible food business.

Our vision is to be a sustainable and responsible global company of entrepreneurs that nourishes and delights our customers with, healthier food and beverages through manufacturing excellence, nutrition expertise, trusted brands and passionate people.

As we seek to deliver more stakeholder value moving forward, we are working towards integrating environmental sustainability, social responsibility, and effective corporate governance into the different facets of our core business operations.

Our Sustainability Framework, which outlines our main pillars of Protein Delivery, Planet Preservation, and People Development, guides our initiatives as it identifies our focus areas and provides a roadmap for our sustainability activities.

Our Board of Directors will spearhead the organization in this endeavor through its Corporate Governance and Sustainability Committee, while identified members of Senior Management will lead the process of integrating sustainability into business operations with the support of the entire organization.

# Supplier Code of Conduct and Ethics

In early 2021, we formalized and institutionalized Supplier Code of Conduct and Ethics covering actions of all raw material suppliers and service providers. It covers the following issues: (a) Human Rights (child labor, forced labor and human trafficking, non-discrimination, harassment, working hours, wages and benefits), (b) Ethics (business integrity, no gift policy, fair competition, privacy and intellectual property, conflict of interest), (c) Health, Safety and Quality, (d) Environment, and (e) Management Systems.

The Supplier Code of Conduct covers the systematic assessment of suppliers' social performance during the procurement process, among others. All legally binding agreements will require compliance with the set social standards. We will internally audit our business partners accordingly annually thereafter to monitor their compliance with our supply chain standards and to address social supply chain issues, if any. We will also engage with non-conforming suppliers to reach compliance as needed.

To keep abreast with changes in supply chain issues, we will engage with various stakeholders and amend our Supplier Code of Conduct and Ethics when necessary. Such stakeholders include our own employees who are able to elevate supply chain concerns through formal channels.



### Anti-Sexual Harassment and Safe Spaces Policy

Upholding its core value of Respect for Individual, the Company shall prohibit all forms of sexual harassment in its workplaces and in all business endeavors.

The Company is steadfast to ensure a working environment that is free from all forms of sexual harassment. Working environment must at all times be supportive of the peace of mind, dignity and self-esteem of individuals.

The objective of this policy is to protect the dignity of workers and their right to humane, just and safe work environment and promote the morale and efficiency in the workplace.

### Policy Statement on Human Rights

The Company is committed to respect and promote human rights in accordance with the United Nation Guiding Principles on Business and Human Rights in our relationships with our employees, suppliers, contractors, subcontractors, stakeholders, and visitors.

The Company is guided by Labor Code of the Philippines (PD 442 as Amended, Series of 1974) and International Human Rights principles encompassed by the Universal Declaration of Human Rights, including those contained within the International Bill of Rights and the International Labor Organization's 1998 Declaration on Fundamental Principles and Rights to Work. We act with integrity, in compliance with local existing laws of the Philippines, and respecting the unique customs and cultures in the community where our companies operate.

Every employee and person we work with is entitled to human rights. Our Company will not discriminate based on sex, age, religion ethnicity, sexual orientation, gender or marital status. We will not tolerate any employees being subjected to any physical, sexual, racial, verbal, or any other forms of harassment. The Company also encourages its suppliers to adopt similar policies and expect them to uphold these principles.

Compliance to this policy is everybody's responsibility. The Company shall commit to provide mitigating and remedial measures to any adverse human rights impacts that may arise from our business activities.

### Policy on Material Related Party Transactions

The Company shall ensure the fairness and transparency of related party transactions between CNPF and its parent company, joint ventures, subsidiaries, associate, affiliates, major stockholders, principal officers and directors, including their spouses, children, and dependent siblings and parents and of interlocking director relationships by members of the Board.

The terms and conditions of all transactions involving related parties must be done as if the transaction is made at an arm's length transaction, and subject to appropriate corporate approvals and actions of CNPF or of the related parties, with the best interest of CNPF in mind.

The Material Related Party Transactions Policy sets out to achieve the following:

- To provide guidance on what constitutes Material Related Party Transactions
- 2. To avoid conflict of interest and comply with regulatory and good governance practices
- 3. To set out the general requirements, responsibilities, and the specific policies, procedures and disclosures to be followed as Related Party Transactions occur.

# Policy on Health, Safety and Welfare of Employees

It is the company's policy to furnish each employee a place of employment free from hazardous conditions causing or likely to cause death or serious physical harm through 3 safe and healthful working conditions and in compliance with the requirements of the Occupational Safety and Health Standards (OSHS) as mandated by the government through the Department of Labor and Employment (DOLE).

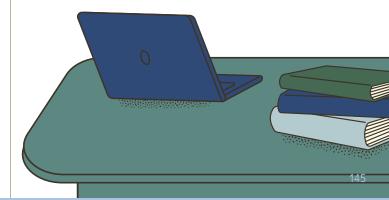
There shall be a Health and Safety Committee in every CNPF and in its subsidiaries and affiliates' place of employment. The principal duties of the Health and Safety Committee are:

- 1. Plans and develops accident prevention program.
- 2. Inspect workplace to detect unsafe conditions.
- 3. Review Inspection Reports, results of accident investigations and implementation of accident prevention programs.
- 4. Conducts safety meetings at least once a month.

- Submit reports to the Manager on its meetings and activities.
- 6. Provides necessary assistance to government inspecting authorities.
- 7. Train employees in safe work habits and procedures by providing safety lectures or trainings.
- 8. Develop and maintain a Disaster Contingency Plan and organizes the Emergency Response Team (ERT) to handle various crises such as Fire, Earthquake, Flood, Typhoon, Bomb Threat, Civil Disturbance and other manmade and natural disasters.

### Employee Training and Development Policy

It is the policy of the company to carry out continuous training and development programs for all its regular employees. Employees may avail of both in-house training programs and external programs to build competencies in order to ensure maximum efficiency in the performance of functions, duties, and responsibilities and to support business needs. The programs also seek to ensure the career growth and advancement of employees.



Here we identify the Company's key risk exposures, their potential impact, as well as some of the current processes and procedures that help mitigate them. The risks outlined below are not exhaustive and instead identify only those that are high impact and high probability to the Company.

Moreover, the Company regularly reviews this list and is in the process of refining the way it identifies, understands, quantifies, and manages the effects of risks throughout the organization.

### Risks in fluctuations in prices of key raw materials and other input or operating costs

Potential impact

- 1. Lower probability metrics
- 2. Volatility in earnings performance

Mitigation

- Active study and monitoring of raw material availability, prices, and trends
- 2. Maintaining a wide network of suppliers
- 3. Maximizing scale in order to negotiate costs
- 4. Developing new ingredient substitutes
- 5. Investing in brand name and reputation in order to pass on costs
- 6. Product diversification targeting different price points and serving different consumer segments



### Risks in actual or alleged contamination; safety concerns

Potential impact

- 1. Weakened brand and reputation
- 2. Loss of revenue streams

Mitigation

- 1. Continuous investment in quality control systems and procedures
- 2. Strong quality-conscious culture and organization that spans the entire supply chain
- 3. Regular audits that ensure compliance with internationally recognized systems of food safety and contamination prevention

### Risks in limited new products and product extensions, or new products fail to meet consumer preferences

Potential impact

- 1. Disrupted sales growth
- 2. Decreased brand relevance

- 1. A focused research and development capability per category
- 2. Diligent procurement of consumer insights through focus groups and quantitative as well as qualitative studies
- 3. Establishing an active inorganic opportunities program to widen scope for potential new products and brands



### Risks in new entrants or increased competition in various food categories

Potential impact

1. Loss of market share

2. Loss of revenue streams

Mitigation

- 1. Regular engagement with customers and market intelligence exercises
- 2. Investing in brand name and reputation
- 3. Strict management of cost at all levels to ensure products' cost competitiveness

### Risks in natural or man-made disasters that may cause failure of normal operations

Potential impact

1. Loss of revenue streams

2. Damage to assets

Mitigation

- 1. Ensuring insurable assets are adequately covered at the right valuation
- 2. Risk management review and disaster training, especially at the plant and operating levels
- 3. Establish a network of potential toll manufacturers

Risks in volatility in macroeconomic and political factors such as foreign exchange, interest rates, availability of funding, rule of law, among others

Potential impact

- 1. Lower probability metrics
- 2. Difficulty to fund expansion
- 3. Higher cost of doing business



- 1. Limiting gearing ratios and ensuring healthy liquidity and cash generation
- 2. Optimizing currency and geographic sales mix to minimize foreign exchange exposure
- 3. Selectively engaging in hedging as approved by the Board
- 4. Regular review of funding mix by currency, tenor, and manner of pricing (fixed/floating)
- 5. Actively engaging key stakeholders and keeping current in all applicable laws and regulation

## Risks in trademark infringement or failure to protect proprietary rights

Potential impact

- 1. Lost opportunities
- 2. Higher legal costs

Mitigation

- 1. Regular upkeep of registration to keep current in all applicable jurisdictions
- 2. Active prosecution of any cases of trademark infringement

### Risks in credit risk of customers and delays or defaults in payment

Potential impact

- 1. Loss of cash
- 2. Destabilized liquidity position

Mitigation

- 1. Systematic credit investigation of its customers
- 2. Security or collateral requirements in the form of bank guarantees and letters of credit from certain customers
- 3. Monitor and manage liquidity ratios
- 4. Ensure availability of sufficient working capital credit lines

### Risks in labor unrest and slowdowns

Potential impact

- 1. Higher cost of doing business
- 2. Higher employee attrition rate

Mitigation

- Establishing a healthy and safe working environment, where work is conducted voluntarily on the basis of freely agreed and documented terms
- 2. Providing fair remuneration and reasonable working hours
- 3. Engaging employees and ensuring they have access to procedures

# Risks in change in consumers' media habits

Potential impact

- 1. Ineffective marketing campaigns
- 2. Decreased brand relevance

- 1. Ensuring innovation, particularly in marketing and communication methods
- 2. Including a digital component in marketing campaigns
- 3. Exploring and building on e-commerce as a potential sales channel



## Risks in differing interests of majority shareholders from that of other minority shareholders

# Potential impact

- 1. Eroded public confidence and higher cost of capital
- 2. Difficulty in maximizing value for shareholders

# Mitigation

- 1. Regular meetings of Related Party Transactions (RPT) committee to review RPTs at the board level
- 2. System to ensure all RPTs are covered by individual agreements that make certain they are arm's-length
- 3. Regular disclosures and engagement with minority shareholders

# Risks in general decline in consumer confidence

# Potential impact

- 1. Lost opportunities
- 2. Loss of revenue streams

#### Mitigation

- 1. Maintaining a broad product portfolio that caters to both the "premiumizing" consumer as well as the cost and value conscious
- 2. Continuously leveraging scale to bring down costs and create more affordable products
- 3. Investing in "must have" brands
- 4. Maintaining a balanced domestic and export business which diversifies exposure to various consumer markets globally

# Risks in dependence on key executives

# Potential impact

- 1. Delayed or ineffective operational execution
- 2. Medium- to long-term business objectives at risk

- 1. Active process of succession planning at all levels
- 2. Regular benchmarking of compensation
- 3. Investing in corporate brand in order to become a destination for top talent









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Investor Relations	Stock Highlights	Management's Discussion and Analysis
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Statement of Management's Responsibility for Consoli- dated Financial Statements	Independent Auditor's Report	Financial Statements
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GRI Content Index	SDG Content Index	Contact Information



# Investor Relations Program

Amidst the challenges brought by COVID-19 in 2020, our Company is fortunate to have been fairly resilient given the heightened demand for our products that are deemed essential and staples in nature. The pandemic has given a greater meaning to our Company's vision of becoming leaders in affordable nutrition.

Our role in Investor Relations focuses primarily on conveying this long-term vision and the many interim key milestones necessary to achieve these goals. Through this exercise, we hope to build the trust and confidence of long-term shareholders whose objectives most closely align with that of the Company's.

#### **Proactive Amidst Challenging Times**

The IR team is the financial market's main point of contact from the Company. We provide the appropriate information to investors and analysts in a manner that is timely and easy to understand. Our communication program is meant to be clear and consistent, focusing on the key metrics that drive business performance.

The pandemic has further highlighted the importance of engaging with our stakeholders in a proactive manner. We recognize that it is during these uncertain and challenging times that we need to be more visible and transparent when engaging with our investors.



At the onset of quarantine measures, we immediately updated our investors of how the pandemic has affected our operations and our planned action steps. During investor calls, we allotted a significant amount of time discussing updates and entertaining investor queries to better understand their concerns.

Moreover, we continuously updated them about critical developments and highlighted our long-term priorities and competitive strengths as we look beyond the crisis.

We ensured that investor communications - websites, presentation decks, annual reports, one-on-one and group virtual meetings and email correspondence – are consistent in providing a clear picture of our current state of operations and strategy. Most importantly, our team ensured that the Executive Chairman and the rest of the management team increased their engagement with investors and analysts during this crucial time for our company.

#### **Conveying Our Strategic Priorities**

Beyond the short-term picture, we recognize that the primary subject of our communication is the Company's ability to create long-term shareholder value.

#### Innovations

In the last few years, our Company has been actively launching a variety of innovations across our various branded businesses, whether in core categories or emerging ones. These new products all share common themes around value-for-money, health and wellness, and product safety – trends that are becoming increasingly more relevant with today's consumers.



The pandemic has further highlighted the importance of engaging with our stakeholders in a proactive manner.

Our innovations and diversification strategy allowed us to double our business in the 5 years since our IPO; we look forward to once again doubling our business over the next 5 years – or even earlier as the pandemic has accelerated our growth plans – allowing us to become leaders in affordable nutrition.

All of these initiatives form part of our long-term strategy of building a strong branded portfolio, which has proven to be resilient amidst various economic uncertainties.

#### Expansion Programs and Dividends

Our sustained healthy profit growth over the past year led to the significant improvement in operating cash flows. This allowed us to pursue capacity expansion projects, including the expansion of our meat and coconut production plants, and pay down a significant portion of our interest-bearing loans. It likewise enabled us to double our dividends year-on-year to PHP1.3 billion.

#### Sustainability

In line with our vision to build resilience over the long term, we have also embarked on a sustainability journey in the hopes of balancing the needs of all our stakeholders. This organization-wide undertaking centers around three main pillars – Protein Delivery, Planet Preservation, and People Development – and incorporates our goal of becoming a sustainable and responsible company.

**How We Engage** 

66

In line with our vision to build resilience over the long term, we have also embarked on a sustainability journey in the hopes of balancing the needs of all our stakeholders.

#### Recognition

We are pleased to see our efforts being recognized by notable institutions and investment professionals. Century Pacific was a finalist in the Best in Sector: Consumer Staples category at the 2020 Southeast Asia Awards by IR Magazine.

We likewise garnered top honors from the Institutional Investor's 2020 All-Asia Executive Team rankings. Through a survey of more than 2,500 analysts and portfolio managers, we were recognized as Philippines' Best Investor Relations Team and having the Best Investor Relations Program. Our IRO, Giovanna Vera, is likewise recognized as the country's Best Investor Relations Professional by IR Magazine. In 2019, during the same awards event, we were recognized for Best Overall Investor Relations (Small Cap), Rising Star for IR Officer Giovanna Vera, Best Annual Report and Best Investor Relations Officer Finalist (Small-Mid Cap).



#### Investor Relations Team

Giovanna Vera
Jaclyn Jimenez
Dappy Tecson
Myrose Victor
investorrelations@centurypacific.com.ph



**Glossy Annual Report** 

Non-Deal Roadshows to Kev Financial Market

Centers



**Corporate Website** 



13 Press Releases



Traditional and Social Media Coverage



#### **Conference Calls on Quarterly Financial Results**

April 1: Full Year 2019 Earnings Call May 7: First Quarter 2020 Earnings Call August 5: Second Quarter 2020 Earnings Call November 3: Third Quarter 2020 Earnings Call

#### **Meetings with Current and Potential Investors**

16 Corporate Access Events

4 in-person events









#### 12 virtual events





















# Welcoming Annual General Meeting June 30

#### **Attainment of Sell-Side Coverage from Brokerages**

Institution	Analyst	Latest call
Abacus	Frederick Chua	BUY
BDO Nomura	Diane Go	BUY
BPI	Miguel Sevidal	BUY
CLSA	Joyce Ramos	BUY
COL Financial	Justin Cheng	BUY
Credit Suisse	Hazel Tanedo	OUTPERFORM
First Metro DBS	Mark Angeles	BUY
HSBC	Shuo Han Tan	BUY
Macquarie	Karisa Magpayo	OUTPERFORM
Maybank ATRKE	Fredrick De Guzman	BUY
PNB	Alvin Arogo	OUTPERFORM
Regis Jefferies	Carissa Mangubat	BUY

# Investor Relations Calendar 2020

- Credit Suisse ASEAN Conference
- DBS Vickers Pulse of AsiaCLSA Philippine

Access Day

 Credit Suisse ASEAN Virtual Corporate Day

- 1Q20 Earnings Release
- Macquarie Asia Consumer Virtual Conference
- Nomura Investment Forum Asia (Virtual)

- UBS OneASEAN Virtual Conference
- Credit Suisse Virtual Corporate Access Event
- 3Q20 Earnings Release
- Maybank
   Kim Eng –
   Mizuho ASEAN
   Consumer
   Seminar

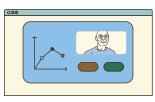
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

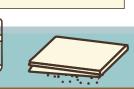
- J.P. Morgan Philippine Conference
- CLSA Virtual Corporate Access Event
- FY19 Earnings Release
- Regis Virtual Corporate Access Event

- Annual General Meeting
- Maybank Kim
   Eng Invest Asean
   2020 Philippines
   Week
- 2Q20 Earnings Release
- Nomura Virtual Philippines Corporate Day 2020
- Institutional Investor Award for:
  - #1 Philippines
     IR Professional
  - #1 Philippines IR Team
  - #1 Philippines
     IR Program

- Credit Suisse Virtual Corporate Access Event
- Jefferies & Regis Partners Philippines Corporate Access Days













# Stock Highlights

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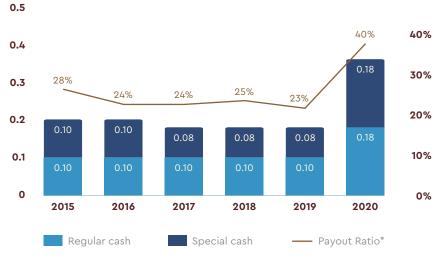
#### **Stock Exchange**

Century Pacific Food, Inc. held its Initial Public Offering (IPO) on May 6, 2014, and is listed on the Philippine Stock Exchange (PSE) with "CNPF" as its ticker symbol. The stock has a minimum board lot of 100 shares and no foreign ownership limit.

#### **Indices**

- FTSE All Cap Asia Pacific
- FTSE Small Cap Asia Pacific
- MSCI Philippines Small Cap Index

#### **Dividend history**



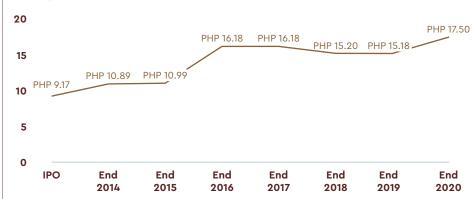
\*Of previous year's net income



Year-on-Year Return Since IPO

#### Stock performance

#### Stock price



\*A 50% stock dividend had been paid out on August 10, 2016. Stock prices have been adjusted accordingly.

#### Market capitalization

80

IPO

End

2014

End

2015

60 PHP 57.3B PHP 57.3B PHP 53.8B PHP 53.8B PHP 62B

40 PHP 38.6B PHP 38.9B

PHP 38.9B

End

2017

End

2018

End

2019

End

2020

End

2016

#### Shareholders

To International

1%
Capital Group

1%
Vanguard Group

1%
First State Investments

1%
FMR LLC

1%
Royal Bank of Canada

1%
JPMorgan Chase & Co

2%
Franklin Resources

22%
Others

Source: Bloomberg, April 2021

#### **Annual Stockholders' Meeting**

We hold our Annual Stockholders' Meeting every June 30th.

#### **Share Capital**

As of end 2020, CNPF's authorized capital was PHP6 billion consisting of 6 billion common shares with a PHP1.00 par value. There were 3,542,258,595 listed, issued, and outstanding shares as of the same period.

Based on the closing price of PHP17.50 per share, the market capitalization of the Company's common shares as of end of 2019 was PHP61,989,525,412.50.

#### **Other Stock Issuances**

We have issued 4,056,100 common shares following our Employee Stock Purchase Plan (ESPP).

69%

Century Pacific Group, Inc

There were no new shares issued in 2020.

A total of 8,269,245 are available for subscription under the ESPP, leaving 4,213,145 shares still unissued.

#### Information Disclosures

In compliance, all information required by the Philippine Securities and Exchange Commission and the PSE are filed, disclosed, and promptly made public via the Company's corporate website and its official PSE online portal page as follows:

https://www.centurypacific.com.ph/

http://edge.pse.com.ph/companyInformation/form.do?cmpy\_id=652

# **Management's Discussion and Analysis**

#### Consolidated Statements of Financial Position

CNPF's total assets increased to Php36.28 billion as of December 31, 2020 compared to Php32.59 billion at the end of 2019. Net property, plant, and equipment registered at PHP7.3 billion. Capital expenditures totaled to PHP1.7 billion, consisting mainly of new equipment and additional plant capacity at the different manufacturing facilities of the Company.

Total equity grew from Php19.15 billion at the end of December 2019 to Php21.44 billion, coming primarily from the Company's generated net income during the year. Book value per share (BVPS) increased by 12% to PHP6.05 compared to PHP5.41 as of end 2019.

Total liabilities increased to PHP14.8 billion from PHP13.4 billion, primarily due to higher trade and other payables, offsetting the repayment of interest-bearing debt which ended at PHP3.5 billion. All of the Company's debt is denominated in Philippine pesos.

The Company maintained its strong and healthy balance sheet with current ratio improving to 1.74x and net gearing at 0.11x. Interest-bearing debt over equity likewise declined to 0.16x, following the repayment of portion of the Company's interest-bearing liabilities.

#### **Consolidated Statements of Comprehensive Income**

CNPF's consolidated net income after tax totaled Php 3.88 billion for the full-year ending December 31, 2020. This is 23% higher than the reported net income after tax of Php 3.15 billion in 2019.

Consolidated net revenues for 2020 grew 19%, amounting to Php 48.3 billion compared to Php 40.6 billion versus the same period the previous year. Growth was driven by the outperformance of the branded business, which saw sales increase by 25% year-on-year.

The branded business – composed primarily of the Marine, Meat, and Milk business units – remains to be majority of the Company's overall topline.

CNPF's brands in the marine and meat segments have maintained market leadership, while also continuing to gain traction in emerging product categories.

Revenues from the commodity-linked OEM export business saw decline by 1% as a result of softer commodity prices, reallocation of capacity to domestic requirements, and a stronger peso.

For the full-year ending December 31, 2020, cost of sales grew by 18%, leading to a 23% increase in gross profit. The Company's cost of sales consists primarily of raw material and packaging costs, manufacturing costs, and direct labor costs.

Favorable commodity price trends led to improved profitability for the Company overall, with consolidated gross profit margin improving by 70-basis points to 24.7%.

Meanwhile, operating expenses increased by 19%, resulting in a 22% growth in operating income to Php 5.4 billion.

#### **Consolidated Statements of Cash Flows**

Cash as of end 2020 stood at PHP1.2 billion. Operating activities registered a PHP5.2 billion total inflow. Net cash used in investing activities amounted to PHP1.7 billion, while net cash used in financing activities amounted to PHP3.8 billion.

The cash conversion cycle improved to 103 days from 120 in the previous year aon the back of shorter receivable days. As of end 2020, accounts receivable, inventory, and payable days stood at 57, 142, and 96, respectively. Working capital was unchanged at PHP12.0 billion relative to the previous year.



# Statement of Management's Responsibility for Consolidated Financial Statements

The management of CENTURY PACIFIC FOOD INC. and SUBSIDIARIES (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the year(s) ended December 31, 2020 and 2019, in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Navarro Amper & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit

Christopher T. Po

Executive Chairman

Teodoro Alexander T. Po

President and CEO

Richard Kristoffer S. Manapat

Chief Financial Officer

# **Independent Auditor's Report**

# NavarroAmper&Co.

Navarro Amper & Co.

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BOA/PRC Reg. No. 0004

SEC Accreditation No. 0001-FR-5

To the Stockholders and the Board of Directors
CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES
(A Subsidiary of Century Pacific Group, Inc.)
7TH Floor, Centerpoint Building, Julia Vargas St., Ortigas Center Pasig City, Metro Manila

#### Opinion

We have audited the consolidated financial statements of Century Pacific Food, Inc. and Subsidiaries (the "Group") which comprise the consolidated statements of financial position as at December 31, 2020 and 2019, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2020, 2019 and 2018, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2020 and 2019, and of its financial performance, and cash flows for the years ended December 31, 2020, 2019 and 2018, in accordance with Philippine Financial Reporting Standards (PFRS).

#### Basis for Opinion

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

# Deloitte.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matter:

#### **Key Audit Matter**

#### Goodwill

Goodwill has been recognized in the consolidated statements of financial position resulting from acquisitions of the Group. Under PFRS 3 and PAS 36, the Group is required to annually test the goodwill for impairment. This annual impairment test was significant to our audit because the balance of goodwill amounting to P2.92 billion is material to the consolidated financial statements and represents 8.04% of the consolidated total assets of the Group as at December 31, 2020.

In addition, the Management conducts annual impairment test to assess the recoverability of the carrying value of goodwill. This annual impairment test involves a number of key sensitive judgments and estimates made in determining the inputs used in the assessment process.

The carrying value of goodwill as at December 31, 2020 is disclosed in Note 12 to the consolidated financial statements.

#### Our audit performed and responses thereon

Our audit procedures were focused on performing a detailed understanding of the Management's assessment process and challenging the key assumptions and judgments as follows:

- 1. We assessed the appropriateness and reasonableness of the Group's position on the impairment assessment of goodwill including consideration of various factors such as historical business performance, current year developments, current risk evaluations, business plans, outlook, revenue potential and other market considerations.
- 2. We engaged our internal valuation specialist to review and assess the appropriateness of the valuation methodology and key assumptions used in the impairment analysis, in particular the discount rates and terminal growth rates by comparing the expectations to those used by Management.
- 3. We also compared the discount rate, earnings before interest, taxes, depreciation, and amortization margins, and growth rates to the historical performance of the cashgenerating unit (CGU), management plans and analysts' reports on market outlook.
- 4. We also considered the adequacy and appropriateness of the related disclosures in the financial statements.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2020 are expected to be available to us after the date of this auditors' report.

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

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

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

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

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

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Bonifacio F. Lumacang, Jr.

Navarro Amper & Co.

BOA Registration No. 0004, valid from November 12, 2018 to July 16, 2021 SEC Accreditation No. 0001-FR-5, issued on January 15, 2019; effective until January 14, 2022, Group A TIN 005299331

By:

Bónifacio F. Lumacang, Jr.

Partner

CPA License No. 0098090

SEC A.N. 1793-A, issued on November 11, 2019; effective until November 10, 2022, Group A

TIN 170035681

BIR A.N. 08-002552-18-2020, issued on December 28, 2020; effective until December 27, 2023

PTR No. A-5047290, issued on January 4, 2021, Taguig City

Taguig City, Philippines April 14, 2021

# **Financial Statements**

### CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group, Inc.)

#### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 3	31
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	P 1,229,381,273	P 1,607,844,054
Trade and other receivables - net	7,599,984,172	7,000,528,129
Due from related parties	280,788,885	261,588,910
Inventories - net	14,313,100,885	11,781,872,041
Biological assets	65,726,630	33,380,356
Prepayments and other current assets - net	484,492,819	829,609,933
Total Current Assets	23,973,474,664	21,514,823,423
Non-current Assets		
Property, plant and equipment - net	7,290,756,893	6,414,543,344
Intangible assets - net	3,448,276,612	3,504,492,460
Right-of-use assets – net	678,300,084	705,437,893
Deferred tax assets	752,107,229	359,681,319
Other non-current assets	133,450,144	89,793,109
Total Non-current Assets	12,302,890,962	11,073,948,125
	P36,276,365,626	P32,588,771,548

LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables	P 9,670,565,636	P 6,832,729,150
Borrowings - current portion	3,533,466,680	2,433,508,587
Income tax payable	194,877,487	148,438,723
Due to related parties	75,894,675	19,706,847
Lease liabilities- current portion	271,207,134	269,082,105
Total Current Liabilities	13,746,011,612	9,703,465,412
Non-Current Liabilities		
Borrowings - net of current portion	-	3,086,500,000
Retirement benefit obligation	618,902,329	160,025,025
Lease liabilities – net of non current portion	465,842,247	484,103,079
Deferred tax liability	9,398,845	360,285
Total Non-current Liabilities	1,094,143,421	3,730,988,389
	14,840,155,033	13,434,453,801
Equity		
Share capital	3,542,258,595	3,542,258,595
Share premium	4,936,859,146	4,936,859,146
Share-based compensation reserve	8,211,398	8,211,398
Other reserves	30,628,942	30,628,942
Currency translation adjustment	23,818,317	25,440,484
Retained earnings	12,894,434,195	10,610,919,182
	21,436,210,593	19,154,317,747
	P36,276,365,626	P32,588,771,548

See Notes to Consolidated Financial Statements.

### CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group, Inc.)

#### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31

	2020	2019	2018
Net Sales	P48,301,741,084	P40,560,362,956	P37,885,300,679
Cost of Goods Sold	36,374,034,421	30,836,294,070	29,737,566,156
Gross Profit	11,927,706,663	9,724,068,886	8,147,734,523
Other Income	615,688,399	536,291,593	535,516,845
	12,543,395,062	10,260,360,479	8,683,251,368
Operating Expenses	6,350,811,842	5,332,626,089	4,720,581,843
Finance Costs	261,151,374	369,427,817	196,861,598
Other Expenses	803,600,697	519,677,568	163,669,529
	7,415,563,913	6,221,731,474	5,081,112,970
Profit Before Tax	5,127,831,149	4,038,629,005	3,602,138,398
Income Tax Expense	1,248,387,296	890,031,995	767,865,538
Profit for the Year	3,879,443,853	3,148,597,010	2,834,272,860
Other Comprehensive Income (Loss)			
Item that will not be Reclassified Subsequently to Profit or Loss			
Remeasurement gain (loss) on retirement benefit obligation - net of tax	(320,715,746)	(64,171,850)	15,556,508
Item that will be Reclassified Subsequently to Profit or Loss			
Exchange differences on translating foreign operations	(1,622,167)	(17,072,597)	2,770,342
	(322,337,913)	(81,244,447)	18,326,850
Total Comprehensive Income	P 3,557,105,940	P 3,067,352,563	P 2,852,599,710
Basic and Diluted Earnings Per Share	P1.0952	P0.8890	P0.8001

See Notes to Consolidated Financial Statements

# CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES (A Subsidiary of Century Pacific Group, Inc.) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

#### For the Years Ended December 31, 2020, 2019 and 2018

	Share Capital	Share Premium	Share-based Compensation Reserve	Other Reserves	Currency Translation Adjustment	Unappropriated Retained Savings	Appropriated Retained Earnings	Total
Balance, January 1, 2018 (as previously restated)	P3,542,258,595	P4,928,095,509	P8,324,313	P30,628,942	P39,742,739	P5,934,065,745	Р -	P14,483,115,843
Transition to PFRS 9 adjustment	-	-	-	-	-	17,812,003	-	17,812,003
Balance, January 1, 2018 (as adjusted)	3,542,258,595	4,928,095,509	8,324,313	30,628,942	39,742,739	5,951,877,748	-	14,500,927,846
Profit for the year	-	-	-	-	-	2,834,272,860	-	2,834,272,860
Other comprehensive income:								-
Currency translation adjustment	-	-	-	-	2,770,342	-	-	2,770,342
Remeasurement of retirement benefit obligation – net of tax	-	-	-	-	-	15,556,508	-	15,556,508
Total Comprehensive Income	-	-	_	_	2,770,342	2,849,829,368	-	2,852,599,710
Transactions with owners:								-
Cash dividends	-	-	-	-	-	(637,606,547)	-	(637,606,547)
Equity-settled share-based compensation	-	8,763,637.00	(112,915)	-	-	-	-	8,650,722
Appropriation of retained earnings	-	-	-	-	-	(1,599,300,000)	1,599,300,000	-
Balance, December 31, 2018	3,542,258,595	4,936,859,146	8,211,398	30,628,942	42,513,081	6,564,800,569	1,599,300,000	16,724,571,731
Balance, January 1, 2019 (as adjusted)	3,542,258,595	4,936,859,146	8,211,398	30,628,942	42,513,081	6,564,800,569	1,599,300,000	16,724,571,731
Profit for the year	-	-	_		-	3,148,597,010	-	3,148,597,010
Other comprehensive income:								

Currency translation adjustment	-	-	-	-	(17,072,597)	-	-	(17,072,597)
Remeasurement of retirement benefit obligation – net of tax		<u>-</u> _	_	_	_	(64,171,850)		(64,171,850)
Total Comprehensive Income	-	-	-	-	(17,072,597)	3,084,425,160		3,067,352,563
Transactions with owners:								
Cash dividends	-	-	-	-	-	(637,606,547)	-	(637,606,547)
Appropriation of retained earnings		-	_	_	_	240,784,514	(240,784,514)	
Balance, December 31, 2019	3,542,258,595	4,936,859,146	8,211,398	30,628,942	25,440,484	9,252,403,696	1,358,515,486	19,154,317,747
Profit for the year	-	-	-	-	-	3,879,443,853	-	3,879,443,853
Other comprehensive income:								
Currency translation adjustment	-	-	-	-	(1,622,167)	-	-	(1,622,167)
Remeasurement of retirement benefit obligation – net of tax	<u>-</u>		_	_	-	(320,715,746)	<del>-</del>	(320,715,746)
Total Comprehensive Income	-	-	-	-	(1,622,167)	3,558,728,107	-	3,557,105,940
Transactions with owners:								
Cash dividends	-	-	-	-	-	(1,275,213,094)	-	(1,275,213,094)
Appropriation of retained earnings	-	-	-	-	-	(2,253,635,800)	2,253,635,800	
Balance, December 31, 2020	P3,542,258,595	P4,936,859,146	P8,211,398	P30,628,942	P23,818,317	P9,282,282,909	P3,612,151,286	P21,436,210,593

See Notes to Consolidated Financial Statements.

### CENTURY PACIFIC FOOD, INC. AND SUBSIDIARIES

(A Subsidiary of Century Pacific Group, Inc.)

#### CONSOLIDATED STATEMENTS OF CASH FLOWS

#### For the Years Ended December 31

	2020	2019	2018
Cash Flows from Operating Activities			
Profit before tax	P5,127,831,149	P4,038,629,005	P3,602,138,398
Adjustments for:			
Depreciation and amortization	1,106,149,015	932,365,731	726,908,805
Finance costs	261,151,374	369,427,817	196,861,598
Provision on slow moving inventories	83,254,371	72,394,430	94,774,003
Loss on impairment of input VAT	9,316,412	5,538,547	50,880,193
Retirement benefit expense	70,397,959	38,685,892	41,694,411
Provision on write-down	391,036,678	185,817,650	22,065,037
Loss (Gain) on disposal of property, plant and equipment - net	(2,503,626)	31,630,206	2,098,022
Allowance for expected loss	9,270,257	5,794,328	14,125,264
Provisions on inventory obsolescence	-	-	92,972,821
Loss on impairment of goodwill	-	-	36,957,396
Share based compensation expense	-	-	8,650,722
Impairment loss of trademark	34,700,000	-	-
Interest income	(35,206,519)	(8,082,061)	(7,579,050)
Gain from sale of scrap - net	(107,664,525)	(15,150,463)	(123,654,220)
Unrealized foreign exchange loss (gain) – net	41,100,997	(31,083,986)	44,741,545
Reversal of allowance for sales return	(3,446,268)	(48,887,970)	(4,659,690)
Reversal of accruals	(107,184,824)	(125,718,029)	(71,759,813)
Reversal of allowance of inventory	(373,327,170)	(192,375,933)	(28,616,691)
Operating cash flows before working capital changes	6,504,875,280	5,258,985,164	4,698,598,751
Decrease (Increase) in:			
Trade and other receivables	(605,209,506)	119,292,471	(1,800,951,571)

Due from related parties	(19,199,975)	(138,741,763)	62,914,412
Inventories	(2,524,528,199)	(176,845,510)	(4,625,110,543)
Biological assets	(32,346,274)	9,473,395	(20,129,879)
Prepayments and other current assets	335,800,702	(347,649,729)	(41,599,054)
Other non-current assets	(43,657,035)	2,683,773	(32,551,162)
Increase (Decrease) in:			
Trade and other payables	2,955,682,590	(23,410,693)	1,954,459,654
Due to related parties	88,515,508	9,125,107	(11,232,702)
Finance lease obligation	-	_	99,522,472
Exchange differences on translating operating assets and liabilities	-	(17,072,597)	20,504,761
Cash generated from operations	6,659,933,091	4,695,839,618	304,425,139
Contribution to the retirement fund	(48,612,624)	(48,612,624)	(48,612,624)
Income tax paid	(1,468,959,658)	(974,189,582)	(681,338,695)
Interest received	35,136,001	7,731,582	7,095,123
Net cash from (used in) operating activities	5,177,496,810	3,680,768,994	(418,431,057)
Cash Flows from Investing Activities			
Acquisitions of property, plant and equipment	(1,736,384,126)	(1,774,163,199)	(1,307,707,845)
Proceeds from sale of property, plant and equipment	2,503,626	4,250,055	77,958,840
Net cash used in investing activities	(1,733,880,500)	(1,769,913,144)	(1,229,749,005)
Cash Flows from Financing Activities			
Proceeds from borrowings	5,551,000,000	4,986,000,000	4,050,000,000
Repayments of borrowings	(7,537,541,907)	(5,778,491,413)	(1,445,500,000)
Dividends paid	(1,275,213,094)	(637,606,547)	(637,606,547)
Finance costs paid	(264,635,783)	(363,634,829)	(190,802,503)
Payment of lease liabilities	(295,688,307)	(185,753,933)	-
Net cash from (used in) financing activities	(3,822,079,090)	(1,979,486,722)	1,776,090,950
Net Increase (Decrease) in Cash and Cash Equivalents	(378,462,781)	(68,630,872)	127,910,888
Cash and Cash Equivalents, Beginning	1,607,844,054	1,676,474,926	1,548,564,038
Cash and Cash Equivalents, End	P1,229,381,273	P1,607,844,054	P1,676,474,926

See Notes to Consolidated Financial Statements.

General Disclosures			Omissions						
GRI Standard	Disclosure	Page Number or URL	Part Omitted	Reason					
GRI: 101 Foundation 2016									
General Disclosures									
GRI 102: General Disclosures 2016	Organizational Profile								
	102–1 Name of the Organization	Get to Know Us, Page 7–8							
	102–2 Activities, Brands, Products, and Services	Get to Know Us, Page 7–8							
	102-3 Location of Headquarters	Contact Information, Page 191							
	102-4 Location of Operations	Contact Information, Page 191							
	102-5 Ownership and Legal Form	Stock Highlights, Page 156–157							
	102-6 Markets Served	Product Affordability and Accessibility, Page 91							
	102-7 Scale of the Organization	2020 At a Glance, Page 84-88, Page 14-15							
	102-8 Information on Employees and Other Workers	Diversity and Inclusion, Page 110–111							
	102–9 Supply Chain	Creating Value Across Our Business, Page 68-69							
	102–10 Significant Changes to the Organization and Its Supply Chain	There are no significant changes to the organization or its supply chain.							
	102–11 Precautionary Principle or Approach	Food Quality and Safety, Page 93-94							
	102–12 External Initiatives	2020 At a Glance, Page 84-88							
		Communities, Page 115-117							
	102-13 Membership of associations	Supply Chain Management, Page 104–105 Tuna Sustainability, Page 106–107							
	Strategy								
	102-14 Statement from Senior Decision-Maker	A Message to Our Shareholders, Page 36–38							
	102–15 Key Impacts, Risks, and Opportunities Risk Management	Risk Management, Page 146–149							
	Ethics and Integrity								
	102–16 Values, principles, standards, and norms of behavior	What Keeps Us Going, Page 28–31							
	102-17 Mechanisms for advice and concerns about ethics	Code of Business Conduct and Ethics, Page 142–143							

Governance		
102-18 Governance structure	Corporate Governance, Page 134–136	
102–19 Delegating authority	Operationalizing Sustainability, Page 81–82 Setting Our Targets, Page 83	
102–20 Executive-level responsibility for economic, environmental, and social topics	Operationalizing Sustainability, Page 81–82 Setting Our Targets, Page 83	
102–21 Consulting stakeholders on economic, environmental, and social topics	How We Engage, Page 70-73	
102-22 Composition of the highest governance body and its committees	Corporate Governance, Page 134–136	
102–23 Chair of the highest governance body	Board of Directors, Page 120-125	
102-24 Nominating and selecting the highest governance body	Corporate Governance, Page 134–136	
102–25 Conflicts of interest	Code of Business Conduct and Ethics, Page 142-143	
102-26 Role of highest governance body in setting purpose, values, and strategy	Corporate Governance, Page 134–136	
102-27 Collective knowledge of highest governance body	Board of Directors, Page 120–125	
102–28 Evaluating the highest governance body's performance	https://centurypacific.com.ph/wp-content/ uploads/2020/12/ANNUAL-BOARD-PERFORMANCE- ASSESSMENT-v2.pdf	
102-29 Identifying and managing economic, environmental, and social impacts	Our Sustainability Focus, Page 64-67	
102-30 Effectiveness of risk management processes	Risk Management, Page 146-149	
102–31 Review of economic, environmental, and social topics	Creating Value Across Our Business, Page 68-69	
102-32 Highest governance body's role in sustainability reporting	A Message to Our Shareholders, Page 36-38	
Stakeholder Engagement		
102-40 List of Stakeholder Groups	How We Engage, Page 70–73	
102-41 Collective Bargaining Agreements	CNPF has no existing collective bargaining agreements.	
102-42 Identifying and Selecting Stakeholders	How We Engage, Page 70–73	
102-43 Approach to Stakeholder Engagement	How We Engage, Page 70-73	

	102-44 Key Topics and Concerns Raised	How We Engage, Page 70–73		
	Reporting Practices			
	102-45 Entities Included in the Consolidated Financial Statements	Stock Highlights, Page 156–157		
	102-46 Defining Report Content and Topic Boundaries	Our Sustainability Focus, Page 64-67 Our Sustainability Journey, Page 74-80		
	102–47 List of Material Topics	Our Sustainability Focus, Page 64-67		
	102-48 Restatements of Information	There are no significant restatements of information		
	102-49 Changes in Reporting	There are no significant changes in reporting.		
	102–50 Reporting Period	About the Report, Page 2		
	102–51 Date of Most Recent Report	About the Report, Page 2		
	102-52 Reporting Cycle	About the Report, Page 2		
	102–53 Contact Point for Questions Regarding the Report	About the Report, Page 2		
	102–54 Claims of Reporting in Accordance with the GRI Standards	About the Report, Page 2		
	102-55 GRI Content Index	GRI Content Index, Page 171-180		
	102-56 External Assurance	No external assurance was conducted.		
GRI Standard	Disclosure	Page Number or URL	Part Omitted	
GRI 200 Economic Standard Series				
Economic Performance				
GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Economic Value We Create, Page 89		
	103–2 The Management Approach and Its Components	Economic Value We Create, Page 89		
	103–3 Evaluation of the Management Approach	Economic Value We Create, Page 89		
GRI 201: Economic Performance	201-1 Direct Economic Value Generated and Distributed	Economic Value We Create, Page 89		

Indirect Economic Impacts			
GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Diversity and Inclusion, Page 110–111	
	103-2 The Management Approach and Its Components	Diversity and Inclusion, Page 110–111	
	103-3 Evaluation of the Management Approach	Diversity and Inclusion, Page 110–111	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Communities, Page 115–117	
	203-2 Significant Indirect Economic Impacts	Diversity and Inclusion, Page 110-111	
Procurement Practices			
GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Supply Chain Management, Page 104–105	
	103–2 The Management Approach and Its Components	Supply Chain Management, Page 104–105	
	103-3 Evaluation of the Management Approach	Supply Chain Management, Page 104–105	
Anti-corruption			
GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Code of Business Conduct and Ethics, Page 142–143	
	103–2 The Management Approach and Its Components	Code of Business Conduct and Ethics, Page 142–143	
	103-3 Evaluation of the Management Approach	Code of Business Conduct and Ethics, Page 142–143	
	205-1 Operations Assessed for Risks Related to Corruption	Code of Business Conduct and Ethics, Page 142–143	
	205-2 Communication and Training About AntiCorruption Policies and Procedures	Code of Business Conduct and Ethics, Page 142–143	
	205-3 Confirmed Incidents of Corruption and Actions Taken	There are no confirmed incidents of corruption	
Anti-competitive Behavior			
GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Code of Business Conduct and Ethics, Page 142–143	
	103-2 The Management Approach and Its Components	Code of Business Conduct and Ethics, Page 142–143	
	103-3 Evaluation of the Management Approach	Code of Business Conduct and Ethics, Page 142–143	
GRI 206: Anti-Competitive Behavior 2016	206-1 Legal Actions for Anti-Competitive Behavior, Anti- Trust, and Monopoly Practices	Code of Business Conduct and Ethics, Page 142–143	

GRI 300 Environmental Standards S	Series		
Materials			
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and Its Boundary	Environmental Impact Management, Page 101-103	
	103-2 The Management Approach and Its Components	Environmental Impact Management, Page 101-103	
	103–3 Evaluation of the Management Approach	Environmental Impact Management, Page 101-103	
GRI 301: Materials 2016	301–3 Reclaimed Products and Their Packaging Materials	Environmental Impact Management, Page 101-103	
Energy			
GRI 103: Management Approach	103-1 Explanation of the Material Topic and Its Boundary	Natural Resource Efficiency, Page 100	
2016	103–2 The Management Approach and Its Components	Natural Resource Efficiency, Page 100	
	103–3 Evaluation of the Management Approach	Natural Resource Efficiency, Page 100	
GRI 302: Energy 2016	302-1 Energy Consumption within the Organization	Natural Resource Efficiency, Page 100	
	302-2 Energy Consumption Outside of the Organization	Natural Resource Efficiency, Page 100	
	302-3 Energy Intensity	Natural Resource Efficiency, Page 100	
	302-4 Reduction of Energy Consumption	Natural Resource Efficiency, Page 100	
	302–5 Reductions in Energy Requirements of Products and Services	Natural Resource Efficiency, Page 100	
Water		Natural Resource Efficiency, Page 100	
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and Its Boundary	Natural Resource Efficiency, Page 100	
	103–2 The Management Approach and Its Components	Natural Resource Efficiency, Page 100	
	103–3 Evaluation of the Management Approach	Natural Resource Efficiency, Page 100	
GRI 303: Water 2016	303-5 Water Consumption	Natural Resource Efficiency, Page 100	
Emissions			
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and Its Boundary	Environmental Impact Management, Page 101-103	
	103–2 The Management Approach and Its Components	Environmental Impact Management, Page 101-103	
	103–3 Evaluation of the Management Approach	Environmental Impact Management, Page 101-103	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	Environmental Impact Management, Page 101-103	
	305-2 Indirect (Scope 2) GHG Emissions	Environmental Impact Management, Page 101-103	
	305-4 GHG Emissions Intensity	Environmental Impact Management, Page 101-103	
	305–5 Reduction of GHG Emissions	Environmental Impact Management, Page 101-103	

	305-3 Other indirect (Scope 3) GHG emissions	Environmental Impact Management, Page 101-103	
Waste			
GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Environmental Impact Management, Page 101–103	
	103-2 The Management Approach and Its Components	Environmental Impact Management, Page 101–103	
	103–3 Evaluation of the Management Approach	Environmental Impact Management, Page 101-103	
GRI 306: Waste 2020	306–1 Waste generation and significant waste-related impacts	Environmental Impact Management, Page 101–103	
	306-2 Management of significant waste-related impacts	Environmental Impact Management, Page 101-103	
	306-3 Waste generated	Environmental Impact Management, Page 101-103	
Environmental Compliance			
GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Supply Chain Management, Page 104–105	
	103–2 The Management Approach and Its Components	Supply Chain Management, Page 104-105	
	103-3 Evaluation of the Management Approach	Supply Chain Management, Page 104-105	
GRI 307: Environmental Compliance 2016	307–1 Non-Compliance with Environmental Laws and Regulations	There are no incidents of non-compliance with environmental laws and regulations.	
Supplier Environmental Assessment	t .		
GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Supply Chain Management, Page 104–105	
	103-2 The Management Approach and Its Components	Supply Chain Management, Page 104-105	
	103–3 Evaluation of the Management Approach	Supply Chain Management, Page 104-105	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	https://centurypacific.com.ph/sustainability/purchases-assessment/tuna/	
		Supply Chain Management, Page 104-105	
	308–2 Negative environmental impacts in the supply chain and actions taken	https://centurypacific.com.ph/sustainability/purchases-assessment/tuna/	
		Supply Chain Management, Page 104-105	
GRI 400 Social Standards Series			
Employment			
GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Diversity and Inclusion, Page 110–111	
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GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Diversity and Inclusion, Page 110–111	
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GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Workplace Safety, Page 113	
	403–2 Hazard identification, risk assessment, and incident investigation	Workplace Safety, Page 113	
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	403-4 Worker participation, consultation, and communication on occupational health and safety	Workplace Safety, Page 113	
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GRI 404: Training and Education 2016	404-1 Average Hours of Training Per Year Per Employee	Talent Development, Page 111-112	
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GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and Its Boundary	Diversity and Inclusion, Page 110–111	
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GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Diversity and Inclusion, Page 110–111	
	103–2 The Management Approach and Its Components	Diversity and Inclusion, Page 110-111	
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GRI 406: Non-Discrimination 2016	406–1 Incidents of Discrimination and Corrective Actions Taken	There are no incidents of discrimination.	
Security Practices			
GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	https://centurypacific.com.ph/wp-content/ uploads/2020/12/CNPF Policy-Statement-on-Human- Rights.pdf	
	103–2 The Management Approach and Its Components	https://centurypacific.com.ph/wp-content/ uploads/2020/12/CNPF_Policy-Statement-on-Human- Rights.pdf	
	103-3 Evaluation of the Management Approach	https://centurypacific.com.ph/wp-content/ uploads/2020/12/CNPF_Policy-Statement-on-Human- Rights.pdf	
GRI 410: Security Practices 2016	410–1 Security Personnel Trained in Human Rights Policies or Procedures	https://centurypacific.com.ph/wp-content/ uploads/2020/12/CNPF_Policy-Statement-on-Human- Rights.pdf	
Rights of Indigenous Peoples			
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and Its Boundary	Diversity and Inclusion, Page 110–111	
	103-2 The Management Approach and Its Components	Diversity and Inclusion, Page 110-111	
	103-3 Evaluation of the Management Approach	Diversity and Inclusion, Page 110-111	
GRI 411: Rights of Indigenous Peoples 2016	411–1 Incidents of Violations Involving Rights of Indigenous Peoples	There are no incidents of violations involving the rights of indigenous peoples.	
Local Communities			
GRI 103: Management Approach 2016	103–1 Explanation of the Material Topic and Its Boundary	Communities, Page 115–117	
	103–2 The Management Approach and Its Components	Communities, Page 115-117	
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GRI 413: Local Communities 2016	413–1 Operations with Local Community Engagement, Impact Assessments, and Development Programs	Communities, Page 115–117	

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		Food Quality and Safety, Page 93-94	
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	103-3 Evaluation of the Management Approach	Healthier Products, Page 95-97	
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GRI 416: Customer Health and Safety	416–1 Assessment of the Health and Safety Impacts of Product and Service Categories	Food Quality and Safety, Page 93–94	
		Food Quality and Safety, Page 93-94	
	416–2 Incidents of Non-Compliance Concerning the Health and Safety Impacts of Products and Services	There are no incidents of non-compliance concerning the health and safety of our products.	
Marketing and Labelling			
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and Its Boundary	Product Development and Innovation, Page 93	
		Food Quality and Safety, Page 93-94	
	103–2 The Management Approach and Its Components	Product Development and Innovation, Page 93	
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	103–3 Evaluation of the Management Approach	Product Development and Innovation, Page 93	
		Food Quality and Safety, Page 93-94	
GRI 417: Marketing and Labeling 2016	417–1 Requirements for Product and Service Information and Labeling	Product Development and Innovation, Page 93	
		Food Quality and Safety, Page 93-94	
	417–2 Incidents of Non-Compliance Concerning Product and Service Information and Labeling	There are no incidents of non-compliance concerning product information and labeling	
	417–3 Incidents of Non-Compliance Concerning Marketing Communications	There are no incidents of non-compliance concerning marketing communications	

Consumer Privacy				
GRI 103: Management Approach 2016	103-1 Explanation of the Material Topic and Its Boundary	https://centurypacific.com.ph/corporate-data-privacy-policy/		
	103-2 The Management Approach and Its Components	https://centurypacific.com.ph/corporate-data-privacy-policy/		
	103–3 Evaluation of the Management Approach	https://centurypacific.com.ph/corporate-data-privacy-policy/		
GRI 418: Customer Privacy 2016	418-1 Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	https://centurypacific.com.ph/corporate-data-privacy-policy/		

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G 1: No Poverty		
1 NO POVERTY	1.1 By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day	Diversity and Inclusion, Page 110–111 Talent Development, Page 111–112 Employee Engagement, Page 112
<b>₼</b> ₽₽₽₽₽	1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions	Diversity and Inclusion, Page 110–111 Talent Development, Page 111–112 Employee Engagement, Page 112
/II W II II W III	1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable	Diversity and Inclusion, Page 110-111 Talent Development, Page 111-112 Employee Engagement, Page 112 Workplace Safety, Page 113 Communities, Page 115-117
	1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	Diversity and Inclusion, Page 110-111 Talent Development, Page 111-112 Employee Engagement, Page 112 Communities, Page 115-117
	1.5 By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	Communities, Page 115–117
	1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions	
	1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions	
G 2: Zero Hunger		
2 ZERO HUNGER	2.1 By 2030, end hunger and ensure access by all people, in particular the poor and people in vulnerable situations, including infants, to safe, nutritious and sufficient food all year round	Profit-Purpose Alignment, Page 91–94 Healthier Products, Page 95–97 Supply Chain Management, Page 104–105 Communities, Page 115–117
	2.2 By 2030, end all forms of malnutrition, including achieving, by 2025, the internationally agreed targets on stunting and wasting in children under 5 years of age, and address the nutritional needs of adolescent girls, pregnant and lactating women and older persons	Profit-Purpose Alignment, Page 91–94 Healthier Products, Page 95–97 Supply Chain Management, Page 104–105 Communities, Page 115–117
	2.3 By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment	

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	2.4 By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality	
	2.5 By 2020, maintain the genetic diversity of seeds, cultivated plants and farmed and domesticated animals and their related wild species, including through soundly managed and diversified seed and plant banks at the national, regional and international levels, and promote access to and fair and equitable sharing of benefits arising from the utilization of genetic resources and associated traditional knowledge, as internationally agreed	
	2.a Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries	
	2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round	
	2.c Adopt measures to ensure the proper functioning of food commodity markets and their derivatives and facilitate timely access to market information, including on food reserves, in order to help limit extreme food price volatility	
SDG 3: Good Health and Wel	l-Being	



3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births  3.2 By 2030, end preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births  3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases  3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being  3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol  3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents  3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes  3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all  3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air,	Being	
to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births  3.3 By 2030, end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases  3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being  3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol  3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents  3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes  3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all  3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air,	3.1 By 2030, reduce the global maternal mortality ratio to less than 70 per 100,000 live births	
combat hepatitis, water-borne diseases and other communicable diseases  3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being  3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol  3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents  3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes  3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all  3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air,	to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as	
3.5 Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol  3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents  3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes  3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all  3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air,		
harmful use of alcohol  3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents  3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes  3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all  3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air,		
3.7 By 2030, ensure universal access to sexual and reproductive health-care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes  3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all  3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air,		Workplace Safety, Page 113
planning, information and education, and the integration of reproductive health into national strategies and programmes  3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all  3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air,	3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents	
health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all  3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air,	planning, information and education, and the integration of reproductive health into national strategies	
	health-care services and access to safe, effective, quality and affordable essential medicines and vaccines	
water and soil pollution and contamination	3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	
3.a Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate	i i	

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	3.b Support the research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines, in accordance with the Doha Declaration on the TRIPS Agreement and Public Health, which affirms the right of developing countries to use to the full the provisions in the Agreement on Trade-Related Aspects of Intellectual Property Rights regarding flexibilities to protect public health, and, in particular, provide access to medicines for all	
	3.c Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States	Workplace Safety, Page 113
	3.d Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks	Workplace Safety, Page 113
SDG 4: Quality Education		
<b>■</b> QUALITY	4.1 By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes	Communities, Page 115–117
4 EDUCATION	4.2 By 2030, ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education	
	4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	
V	4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	
	4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations	
	4.6 By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy	
	4.7 By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development	
	4.a Build and upgrade education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all	Communities, Page 115–117
	4.b By 2020, substantially expand globally the number of scholarships available to developing countries, in particular least developed countries, small island developing States and African countries, for enrolment in higher education, including vocational training and information and communications technology, technical, engineering and scientific programmes, in developed countries and other developing countries	Communities, Page 115–117
	4.c By 2030, substantially increase the supply of qualified teachers, including through international cooperation for teacher training in developing countries, especially least developed countries and small island developing States	

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SDG	SDG Indicator		Page/URL
SDG 5: Gender Equality			
5 GENDER EQUALITY	5.1 End all forms of discrimination against all women and	d girls everywhere	Diversity and Inclusion, Page 110-111 Workplace Safety, Page 113
<b>3</b> EQUALITY	5.2 Eliminate all forms of violence against all women and trafficking and sexual and other types of exploitation	d girls in the public and private spheres, including	Diversity and Inclusion, Page 110-111 Workplace Safety, Page 113
	5.3 Eliminate all harmful practices, such as child, early a	nd forced marriage and female genital mutilation	
¥	5.4 Recognize and value unpaid care and domestic wor infrastructure and social protection policies and the prohousehold and the family as nationally appropriate		
	5.5 Ensure women's full and effective participation and decision- making in political, economic and public life	equal opportunities for leadership at all levels of	Workplace Safety, Page 113
	5.6 Ensure universal access to sexual and reproductive in accordance with the Programme of Action of the Inte Development and the Beijing Platform for Action and the	rnational Conference on Population and	
	5.a Undertake reforms to give women equal rights to ea and control over land and other forms of property, finar accordance with national laws	conomic resources, as well as access to ownership ncial services, inheritance and natural resources, in	
	5.b Enhance the use of enabling technology, in particular promote the empowerment of women	ar information and communications technology, to	Diversity and Inclusion, Page 110-111 Workplace Safety, Page 113
	5.c Adopt and strengthen sound policies and enforceab and the empowerment of all women and girls at all leve		Diversity and Inclusion, Page 110-111 Workplace Safety, Page 113
SDG 6: Clean Water and Sanit	ation		
	6.1 By 2030, achieve universal and equitable access to s	afe and affordable drinking water for all	Communities, Page 115–117
6 CLEAN WATER AND SANITATION	6.2 By 2030, achieve access to adequate and equitable defecation, paying special attention to the needs of wo		
O	6.3 By 2030, improve water quality by reducing pollution of hazardous chemicals and materials, halving the proposition of the p		Communities, Page 115–117
•	6.4 By 2030, substantially increase water-use efficiency withdrawals and supply of freshwater to address water people suffering from water scarcity		
	6.5 By 2030, implement integrated water resources man transboundary cooperation as appropriate	nagement at all levels, including through	

6.6 By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers,

6.a By 2030, expand international cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water

Communities, Page 115-117

6.b Support and strengthen the participation of local communities in improving water and sanitation

efficiency, wastewater treatment, recycling and reuse technologies

aquifers and lakes

management

SDG :	SDG Indicator	
SDG 7: Affordable and Clean Ene	ergy	

# 7 AFFORDABLE AND CLEAN ENERGY

7.1 By 2030, ensure universal access to affordable, reliable and modern energy services

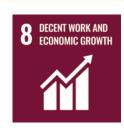
7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

7.3 By 2030, double the global rate of improvement in energy efficiency

7.a By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology

7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States and landlocked developing countries, in accordance with their respective programmes of support

#### SDG 8: Decent Work and Economic Growth



8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	
8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	Talent Development, Page 111-112
8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small-and medium-sized enterprises, including through access to financial services	Talent Development, Page 111-112 Communities, Page 115-117
8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead	
8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Diversity and Inclusion, Page 110-111
8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training	
8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms	
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Workplace Safety, Page 113
8.9 By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products	
8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all	
8.a Increase Aid for Trade support for developing countries, in particular least developed countries, including through the Enhanced Integrated Framework for Trade- related Technical Assistance to Least Developed Countries	
8.b By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization	

greater equality

#### SDG 9: Industry, Innovation, and Infrastructure



9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

9.2 Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries

9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States

9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities

9.c Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020

#### **SDG 10: Reduced Inequalities**



10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 percent of the population at a rate higher than the national average
10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

Talent Development, Page 111-112

10.3 Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard 10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve

Workplace Safety, Page 113

Workplace Safety, Page 113

10.5 Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations

10.6 Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions

10.7 Facilitate orderly, safe, regular and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies

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	10.a Implement the principle of special and differential treatment for developing countries, in particular least developed countries, in accordance with World Trade Organization agreements	
	10.b Encourage official development assistance and financial flows, including foreign direct investment,	
	to States where the need is greatest, in particular least developed countries, African countries, small island developing States and landlocked developing countries, in accordance with their national plans and programmes	
	10.c By 2030, reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 percent	

### SDG 11: Sustainable Cities and Communities



11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	Natural Resource Efficiency, Page 100 Environmental Impact Management, Page 101–103
11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	
11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	
11.4 Strengthen efforts to protect and safeguard the world's cultural and natural heritage	
11.5 By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations	
11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management	
11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities	
11.a Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning	
11.b By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015–2030, holistic disaster risk management at all levels	
11.c Support least developed countries, including through financial and technical assistance, in building sustainable and resilient buildings utilizing local materials	

#### SDG 12: Responsible Consumption and Production



12.2 By 2030, achieve the sustainable management and efficient use of natural resources	Natural Resource Efficiency, Page 100 Environmental Impact Management, Page 101–103 Supply Chain Management, Page 104–105 Tuna Sustainability, Page 106–107
12.3 By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses	Environmental Impact Management, Page 101–103
12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment	Environmental Impact Management, Page 101–103
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	Environmental Impact Management, Page 101–103
12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Communities, Page 115-117
12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities	Environmental Impact Management, Page 101–103
12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	Communities, Page 115-117
12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production	
12.b Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products	
12.c Rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities	
13.1 Strengthen resilience and adaptive capacity to climate- related hazards and natural disasters in all countries	Natural Resource Efficiency, Page 100 Environmental Impact Management, Page

#### SDG 13: Climate Action



13.1 Strengthen resilience and adaptive capacity to climate- related hazards and natural disasters in all countries	Natural Resource Efficiency, Page 100 Environmental Impact Management, Page 101–103
13.2 Integrate climate change measures into national policies, strategies and planning	
13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	
13.a Implement the commitment undertaken by developed- country parties to the United Nations Framework Convention on Climate Change to a goal of mobilizing jointly \$100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalize the Green Climate Fund through its capitalization as soon as possible	

SDG	SDG Indicator	Page/URL
	13.b Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities	
SDG 14: Life Below Wate	r	
14 LIFE BELOW WATER	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	Supply Chain Management, Page 104–105 Environmental Impact Management, Page 101–103
www.	14.2 By 2020, sustainably manage and protect marine and coastal ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans	Supply Chain Management, Page 104–105 Tuna Sustainability, Page 106–107
	14.3 Minimize and address the impacts of ocean acidification, including through enhanced scientific cooperation at all levels	
	14.4 By 2020, effectively regulate harvesting and end overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implement science-based management plans, in order to restore fish stocks in the shortest time feasible, at least to levels that can produce maximum sustainable yield as determined by their biological characteristics	Supply Chain Management, Page 104–105 Tuna Sustainability, Page 106–107
	14.5 By 2020, conserve at least 10 per cent of coastal and marine areas, consistent with national and international law and based on the best available scientific information	
	14.6 By 2020, prohibit certain forms of fisheries subsidies which contribute to overcapacity and overfishing, eliminate subsidies that contribute to illegal, unreported and unregulated fishing and refrain from introducing new such subsidies, recognizing that appropriate and effective special and differential treatment for developing and least developed countries should be an integral part of the World Trade Organization fisheries subsidies negotiation	Supply Chain Management, Page 104–105 Tuna Sustainability, Page 106–107
	14.7 By 2030, increase the economic benefits to small island developing States and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism	
	14.a Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries	
	14.b Provide access for small-scale artisanal fishers to marine resources and markets	
	14.c Enhance the conservation and sustainable use of oceans and their resources by implementing international law as reflected in the United Nations Convention on the Law of the Sea, which provides the legal framework for the conservation and sustainable use of oceans and their resources, as recalled in paragraph 158 of "The future we want"	

#### SDG 15: Life On Land



15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements

15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt

15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

15.3 By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation- neutral world

15.4 By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development

15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

15.6 Promote fair and equitable sharing of the benefits arising from the utilization of genetic resources and promote appropriate access to such resources, as internationally agreed

15.7 Take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products

15.8 By 2020, introduce measures to prevent the introduction and significantly reduce the impact of invasive alien species on land and water ecosystems and control or eradicate the priority species

15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts

15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems

15.b Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation

15.c Enhance global support for efforts to combat poaching and trafficking of protected species, including by increasing the capacity of local communities to pursue sustainable livelihood opportunities

Supply Chain Management, Page 104–105

Supply Chain Management, Page 104-105

#### SDG 16: Peace, Justice, and Strong Institutions



16.1 Significantly reduce all forms of violence and related death rates everywhere	
16.2 End abuse, exploitation, trafficking and all forms of violence against and torture of children	Workplace Safety, Page 113
16.3 Promote the rule of law at the national and international levels and ensure equal access to justice for all	Workplace Safety, Page 113
16.4 By 2030, significantly reduce illicit financial and arms flows, strengthen the recovery and return of stolen assets and combat all forms of organized crime	
16.5 Substantially reduce corruption and bribery in all their forms	
16.6 Develop effective, accountable and transparent institutions at all levels	
16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	Diversity and Inclusion, Page 110–111 Talent Development, Page 111–112 Employee Engagement, Page 112

SDG	SDG Indicator	Page/URL
	16.8 Broaden and strengthen the participation of developing countries in the institutions of global governance	
	16.9 By 2030, provide legal identity for all, including birth registration	
	16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements	
	16.a Strengthen relevant national institutions, including through international cooperation, for building capacity at all levels, in particular in developing countries, to prevent violence and combat terrorism and crime	
	16.b Promote and enforce non-discriminatory laws and policies for sustainable development	Workplace Safety, Page 113

#### SDG 17: Partnerships For The Goals



17.1 Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection
17.2 Developed countries to implement fully their official development assistance commitments, including

17.2 Developed countries to implement fully their official development assistance commitments, including the commitment by many developed countries to achieve the target of 0.7 per cent of gross national income for official development assistance (ODA/GNI) to developing countries and 0.15 to 0.20 per cent of ODA/GNI to least developed countries; ODA providers are encouraged to consider setting a target to provide at least 0.20 per cent of ODA/GNI to least developed countries

17.3 Mobilize additional financial resources for developing countries from multiple sources

17.4 Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress

17.5 Adopt and implement investment promotion regimes for least developed countries

#### Technology

Finance

17.6 Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge- sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism

17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed

17.8 Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology

#### Capacity-building

17.9 Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North- South, South-South and triangular cooperation

SDG	SDG Indicator	Page/URL
	Trade	
	17.10 Promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system under the World Trade Organization, including through the conclusion of negotiations under its Doha Development Agenda	
	17.11 Significantly increase the exports of developing countries, in particular with a view to doubling the least developed countries' share of global exports by 2020	
	17.12 Realize timely implementation of duty-free and quota-free market access on a lasting basis for all least developed countries, consistent with World Trade Organization decisions, including by ensuring that preferential rules of origin applicable to imports from least developed countries are transparent and simple, and contribute to facilitating market access	
	Systemic issues	
	17.13 Enhance global macroeconomic stability, including through policy coordination and policy coherence	
	17.14 Enhance policy coherence for sustainable development	
	17.15 Respect each country's policy space and leadership to establish and implement policies for poverty eradication and sustainable development	
	17.16 Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries	
	17.17 Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships	
	17.18 By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts	
	17.19 By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries	

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