



R&B巡茶



PROJECT
PIE



BIGGER BOLDER BETTER

SUSTAINABILITY AND ANNUAL REPORT 2022

SHAKEY'S WOW! BRANDS

BIGGER BOLDER BETTER

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ABOUT THE COVER

As we move away from the pandemic and find ourselves towards a new normal, adopting a “Bigger, Bolder, Better” mindset helps us pave the way for the next double-digit growth run for the company.

By continuously pursuing a path of expansion both domestically and globally, we are able to tap into new markets, reach a wider customer base, and strengthen our brand presence.

In addition, by keeping an eye out on opportunities, we are able to remain relevant and maintain our competitive edge. Be it through innovations or via strategic acquisitions, bolder moves allow us to remain ahead of the curve.

Ultimately, these all work to improve profitability and create more value for our stakeholders. Navigating through the uncertainties in 2022 and using the lessons we have learned throughout the pandemic, we were able to generate better results.

By staying true to the “Bigger, Bolder, Better” mantra, we position ourselves to be a formidable player in the ever-evolving food industry.

ABOUT THE REPORT

This Annual and Sustainability Report provides information on the consolidated financial, economic, environmental, social, and governance performance across our business units covering the period from January 1 to December 31, 2022.

PIZZA has prepared its sustainability disclosures with reference to the latest GRI Standards published in 2022. Although these standards will take effect in 2023, the Company is pleased to be an early adopter as part of our ongoing commitment to inspire our stakeholders to contribute to sustainable development by sharing not only our progress and opportunities, but also our challenges and learnings.

The report will be distributed primarily in digital format. Please visit www.shakeyspizza.ph to download a copy. Limited printed copies will make use of recycled paper in line with our ongoing sustainability initiatives.

For questions or feedback regarding the sustainability initiatives, programs, and plans communicated in this chapter, please contact PIZZA Investor Relations at investorrelations@shakeys.biz.



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GET TO KNOW SHAKEY'S



A MESSAGE FROM THE CHAIRMAN

2-22

There was a time when I found emojis to be too informal and refused to use them. Now, not only have their widespread use beaten me to submission, I have capitulated and am now a convert! If you can't beat them, join them, right? A picture can indeed replace several words!

Now, onto my message about this past year. If asked the question, "How was 2022 for PIZZA?", my answer would be, 🙏.

I choose the two-hands-pressed-together emoji, 🙏, because I use it often to say "thank you very much" and express an overwhelming sense of gratitude.

Indeed, we, at PIZZA, have so much to be thankful for in 2022. The company was able to generate systemwide sales of Php 14 billion, exceeding the pre-pandemic high-water mark year 2019 by 36%, equivalent to twice that of 2021. In line with this, our net income is back to 2019 levels at P874 million, growing 7 times versus the year before.

To be fair, the 2022 comparison to 2019 is not apples-to-apples, with the former consolidating the newly acquired Potato Corner business, flattering the topline. Nonetheless, given that pandemic restrictions were only lifted in the second quarter, the changes in commute patterns and consumption behaviors brought on by the prevalence of remote work, the inflationary aftermath of the pandemic and the war, as well as other challenges, I am still personally very pleased and grateful for these results.

Shakey's remains the #1 full-service restaurant chain and the #1 full-service pizza chain in the Philippines according to Euromonitor in 2022. We opened 8 new



stores, 2 of which are in Dubai and Singapore, ending the year with 268 outlets. The dine-in segment made a robust comeback, resulting in the Shakey's business surging 38% versus 2021, proving that Shakey's restaurants continue to be the favorite place for families and groups to celebrate special occasions. I am proud of how our team soldiered, innovated, and navigated through the pandemic to come out with these two top rankings.

I am grateful for the opportunities that arose during the crisis and proud of how our team pursued them. We entered the pandemic reliant on virtually one brand and are now exiting with Peri-Peri and Potato Corner as two new growth pillars.

So, if asked, "What do you think about our new multi-brand approach to the F&B market?", my answer would be, 🙏. We are strategically stronger. A typical Shakey's guest would patronize the restaurant once every 4 to 6 weeks. With additional brands, we can gain a larger share of their stomach. A more diversified portfolio will also give us a higher likelihood of achieving our aspiration of mid-teens growth or better in the next 5 years. In addition, with synergies to be extracted across brands, we believe the value of the whole portfolio will be greater than the sum of its individual parts.



WE ENTERED THE PANDEMIC RELIANT ON VIRTUALLY ONE BRAND AND ARE NOW EXITING WITH PERI-PERI AND POTATO CORNER AS TWO NEW GROWTH PILLARS

For Peri-Peri, we acquired the brand in mid-2019 with 21 stores and aimed to scale up the roast chicken chain into a leading player in its category. As of today, in the first quarter of 2023, we have a total of 72 stores, growing 3x in the last 3 years, pandemic notwithstanding. While we are progressing with the Peri-Peri growth plan, we acknowledge that it is still a work in progress. We intend to continue network expansion, strengthen the brand, and further improve the unit economics. There's work to be done, but we will get there.

On Potato Corner, I strongly believe that this is a good acquisition and am grateful to the founders and selling shareholders for entrusting us with this 30-year-old icon in the Philippine F&B industry. When we acquired the business, it had over a thousand stores in the Philippines and more than 200 stores in 12 other countries. Potato Corner is part of a very short list of Philippine brands that have been able to establish this kind of presence internationally. This is a testament to the great entrepreneurial skill and savvy of the founders and owners who grew the business from a single food cart at an SM Mall to where it is today.

There are many things to like about the Potato Corner acquisition. First, it aligns with our strategy of building a portfolio of WOW! Brands that can be leaders in their categories and can scale with attractive economics. Next, it is accretive, and we were able to acquire the business at a fair valuation. Finally, I believe we have the "right to win". Our team knows how to run this business and unlock more value by growing into the many white spaces we see for this concept and extracting synergies with the rest of our ecosystem.

There is another part to Potato Corner that makes this personally even more motivating for me. Part of the Potato Corner ecosystem is our more than 700 franchisee entrepreneurs. With a capital requirement as low as 500 thousand pesos and attractive unit economics that allow franchisees to recover their investments quickly, we are able to support entrepreneurship and promote business ownership.

CREATING A POSITIVE
IMPACT IN THE LIVES
OF OUR PEOPLE IS
HUMBLING, AND IT
MOTIVATES US TO DO
MORE AND DO BETTER



In addition to the business potential of the enlarged PIZZA portfolio, I am thrilled that our pursuit of growth goes beyond just mere numbers. Growth is a catalyst for job creation, and today, as an enterprise, PIZZA supports over 8,000 people, including seniors, PWDs, and individuals with Down Syndrome. Creating a positive impact in the lives of our people is humbling, and it motivates us to do more and do better. 🙏

I am excited for this coming phase of growth of our company. I think the prospects are 🤩. I believe the Philippines will resume its pre-pandemic GDP growth trajectory of 5% or better these next few years, led by the resilient consumer sector. This will be an attractive environment for us to expand our different businesses. Our team is gearing up for this, and we will work to realize our compounded mid-teens, or better, growth ambition.

Thank you 🙏 to the Shakey's team and our franchisee partners for your grit and tenacity, stepping up to the plate, getting us through the pandemic, and putting us on solid strategic footing.

Thank you 🙏 to our board, whose support, wisdom, and guidance have been instrumental in steering the company and helping us leap over hurdles.

Thank you 🙏 to our dear shareholders for your unwavering trust and confidence in the group. We look forward to more years of growth and mutual prosperity as we endeavor to be good stewards of your capital.


CHRISTOPHER T. PO
CHAIRMAN

A MESSAGE FROM THE PRESIDENT

2-22

Three years ago, I presented a 2-year pandemic recovery plan which I called the "BOUNCE BACK and BOUNCE UP" strategy. We returned to positive net income in 2021 ahead of expectations, and thus, that year can be considered our "BOUNCE BACK" year. Now, with the final results out, I believe that 2022 can be described as our "BOUNCE UP" year.

I am pleased to say that 2022 turned out to be a banner year for PIZZA. Despite the stringent lockdowns in the first quarter and the inflationary environment that followed, we still ended the year with record-high sales and income exceeding 2019 pre-pandemic levels.

With the strong reopening of the market, the bold strategic initiatives we implemented, and our team's ability to quickly adapt and execute our plans, we were able to take full advantage of the reopening of the economy.

THE COMPANY IS IN A GOOD POSITION
TO SUSTAIN THIS MOMENTUM AND
CONTINUE THIS HEALTHY REBOUND

As a result, PIZZA now enjoys two consecutive years of double-digit growth in both topline and bottom line. The company is in a good position to sustain this momentum and continue this healthy rebound.

2022 EVENT CHRONICLE

The year 2022 started with a very difficult first quarter. Due to a new and virulent COVID-19 Omicron variant, our government implemented strict quarantine measures. Dine-in capacity was once again capped at 50% in NCR, affecting our sales as the bulk of our stores were situated in the capital.

By the end of March, COVID restrictions were lifted, and then, just when everyone was getting excited about the reopening of the market, the war in Eastern Europe broke, setting off a series of new challenges. The serious conflict in Ukraine disrupted the supply and flow of oil and resulted in record-high fuel prices. Major problems in the supply of key commodities also occurred as the surge in post-COVID demand outpaced supply, resulting in sharp increases in the prices of our key raw materials. Hence, while systemwide sales were moving up, inflationary headwinds were putting much pressure on our margins.



Through all of these, I am proud to say that Team PIZZA never wavered. We focused on the key tasks needed to "bounce up". The dedication of the board of directors, the management, franchise partners and of course, our employees, allowed us to deliver the WOW-ing results we see now. Furthermore, the strategic shift from being a single brand company to one with a portfolio of WOW! Brands provided us multiple revenue sources and healthy synergies. Together, our WOW! Brands provided us competitive advantages and became additional sources of growth last year, which we expect to carry on in the future.

2022 KEY FINANCIAL PERFORMANCE

Thanks to the collective efforts of the team in 2022, PIZZA delivered strong results that exceeded our expectations. We generated all-time high consolidated systemwide sales of Php 14 billion, double of last year's Php 7 billion and 36% higher than pre-pandemic level.

Net Income ended at Php 874 million, increasing by 611% year-on-year and likewise exceeding 2019 levels. 2022 EBITDA grew by 102% versus prior year to Php 2 billion. Lastly, our company posted an operating margin of 13.5%, jumping by 550 basis points from 8.0% in the previous year.

I am also proud to report that we were able to continue the aggressive but sustainable network expansion that we started in 2021. We ended last year with a total of 1,772 stores across all our WOW! Brands.

"PRODUCTIVE PARANOIA" MINDSET

The crisis that severely hit us led to a profound sense of "healthy paranoia" for me and the team. The pandemic has definitely changed the behavior of consumers, competition, and our industry as a whole. We have seen that our brand's resilience, our business model's ability to produce healthy margins, our dedicated and engaged workforce, and the board of directors' and management's agility and focus allowed us to navigate, even thrive in, the pandemic. Now, it is critical that we improve all these and strengthen them even more.

BRAND relevance will continue to be reinforced. Shakey's, while a dominant and strong leader in its segment, will need a refresh and a younger feel. Peri-Peri has grown tremendously since we acquired it. It is now a strong #2 player in non-fried chicken category. The brand will have to focus on creating a sharper brand equity and improve efficiency in execution. For Potato Corner, the undisputed #1 kiosk brand in the country, we will focus on improving systems and capabilities while continuing the aggressive expansion that has created a lot of opportunities for families and business partners locally and abroad. And lastly, our two emerging brands R&B Tea and Project Pie will take an opportunistic approach in their expansion to potentially become future growth pillars of PIZZA.



BIGGER,
BOLDER,
BETTER



We are quite pleased to have exceeded our 2022 targets, and we are poised to accelerate this year and the next. Barring any major disruptions beyond our control, we are on track to achieve our longer term overall strategic and financial ambition.



STORE assets remain vital to our growth strategy. Our ability to aggressively expand and open new stores in a disciplined and sustainable manner has always been a key competitive edge for us. Now faced with ever increasing operating costs, the need to improve this skillset further is crucial, so that we can sustain our competitive advantage of having one of the fastest ROIs in the industry. This bodes well not just for us but for our committed and loyal franchise partners as well.

Our PEOPLE and our organizational capability have always been paramount. Our aggressive multi-year growth plans will exact a huge toll on our people resource. Thus, ensuring that we have capable, motivated, and engaged people across all levels of the organization will be critical to execute well. Leadership development and succession planning will be another key area of focus. Our ability to have the right quantity and quality of leaders at the right time and place will spell the success or failure of our plans. Continuous improvement and skills upgradation should continue to consistently sharpen the saw.

Our goal now is to future proof our business against possible crises. We need to improve our ability to quickly adapt and execute proper strategies that will allow us to identify and take advantage of available opportunities. Our strategic growth pillars of investing in our BRANDS, STORES and PEOPLE are essential as we move ahead out of the crisis. We will stick to our mission to become better than BEFORE, better than OTHERS and better than EXPECTED. Bigger, bolder, better.

STRENGTHENING OUR ESG COMMITMENTS

THROUGH PANDEMIC YEARS 2020 AND 2021, WE MADE STRATEGIC PIVOTS IN THE BUSINESS, INCLUDING OUR ESG PROGRAM OF PEOPLE, PLANET, PIZZA



Through pandemic years 2020 and 2021, we made strategic pivots in the business, including our ESG program of PEOPLE, PLANET, PIZZA. The pandemic protocols needed to prioritize safety above all, thus some of our ESG initiatives took a pause. In this regard, I am pleased to inform you that in 2022 we have re-activated most of our programs and have doubled down on the ones that we can safely execute.

WHAT'S NEXT?

By now, everyone must have seen that 2023's first quarter results are very encouraging. Assuming no major external disruptions occur this year, I foresee us having another robust year this 2023.

We intend to execute different 2023 strategic directions for each of our brands, but all will have the same long-term goals of scaling up profitably and sustainably to become leaders in the categories they compete in and remain true to the collective goal of creating a strong, healthy portfolio of WOW! Brands. We are also excited with the inroads we have made in the area of our international business. With our newly-forged international team of young but very seasoned people, the future looks bright for our brands globally.

With topline expected to grow at a robust pace this year, our team commits to focus on improving efficiencies, actively managing our costs, leveraging our sales growth, and taking full advantage of all lucrative synergies we can get our hands on. The goals of margin recovery and proper capex utilization will be given priority in order to bring back operating margins closer to pre-pandemic levels and further improve cashflows.

In 2022, we relaunched our Love 'Em Down program in Shakey's, working closely with the Down Syndrome Association of the Philippines, Inc. (DSAPI) to have more of their qualified members in our stores. We also are proud to say that we kickstarted a program with the City of Manila to employ their senior citizens in all company-owned Shakey's stores located in Manila. With the program's success, we are now working with other cities to do the same. Lastly, certain Shakey's stores have employed qualified specially-abled people, all in accordance with our ESG mission of creating inclusive programs for certain sectors of the society. This coming year, we have responded to the request of the Department of Labor and Employment to also provide work opportunities for high school graduates across our brands. This excites us because we will not only be able to help the youth, but it will also provide us with a good pool for our future people needs. Truly an ideal WIN-WIN scenario.

Lastly, we are proud to say that we are back in the school-based ladies' volleyball scene, a sport that has almost become synonymous to our Shakey's brand. Last year's launch of the 2022 Shakey's Super League Tournament was very successful, attracting the participation of the Women's Volleyball teams from all the 8 UAAP and 10 NCAA schools, a feat never achieved before. We are happy to bring joy to the teams we support and to the countless fans and further endearing our brand to them.

FINDING WAYS TO WOW OUR EMPLOYEES AND WORKFORCE IS MOST ESSENTIAL SO THEY WILL IN TURN WOW OUR GUESTS



To do the above, we must understand that this is a people business, and they drive everything we do. We will double down on our efforts to provide our employees with a great and inclusive work environment that brings out their full potential. Our Core Values and WOW! Culture should be aligned across all teams and brands to achieve the aggressive goals we have laid down. Finding ways to WOW our employees and workforce is most essential so they will in turn WOW our Guests. In the end, we believe this will guarantee our long-term success.



IN SUMMARY

Looking back at 2022, I take pride in what our group has collectively achieved, as we reinforced the solid foundations of our diversified and resilient brands.

Already, we are enjoying the honor and distinction of being No. 1 in three unique ways. On top of being the No. 1 full-service pizza chain in the country and the No. 1 full-service restaurant group in the country, two honors we have held for many years, we now also enjoy the honor of having the No.1 branded kiosk chain in the Philippines in our roster of brands. At the current state of things, we should be able to retain our market leadership this year as we pursue our goal of turning our vision of WOW! Brands into reality and, hopefully, bring more honors and distinctions to our company.

With a more diversified brand portfolio, we now enjoy better flexibility and varied sources of growth together with access to a broader and wider consumer segment. Our new focus on the International Business, starting with the creation of a capable International Business Development team, will provide us with huge opportunities overseas in the medium and long term. I hope you are excited as I am with all the growth within our reach and the potential upside of what the next few years can bring.

I would like to thank everyone who supported us throughout this eventful and banner year. I am extremely grateful to our Board for providing the team invaluable and consistent support and guidance. Thank you too to our shareholders for their continued trust and confidence, and to our dear franchisees and supplier partners who have supported and aided us greatly along the way. Special mention goes to our passionate and capable leadership team for working as one and subscribing to our vision, values and WOW! Culture. Last but not least, I also wish to express my deepest appreciation to our dedicated workforce who make things happen and get things done, always trying their best to provide great times and great memories for guests.

I look forward to the year ahead and, together, I know we can achieve a lot more and continue to create opportunities for all our stakeholders. Mabuhay and may God continue to bless us all!


VICENTE L. GREGORIO
PRESIDENT & CEO

Shakey's Pizza Asia Ventures, Inc.



THE LEADERSHIP TEAM

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BOARD OF DIRECTORS



CHRISTOPHER T. PO

CHAIRMAN (Filipino, 52)

DATE OF APPOINTMENT: 31 March 2016

LENGTH OF SERVICE: 6 years

PROFESSIONAL & ACADEMIC BACKGROUND:

- 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 DIRECTORSHIPS:

Other Publicly Listed Companies - Affiliates

- Executive Chairman of Century Pacific Food, Inc.
- Director of Arthaland Corporation

Non-Listed Companies/Organizations

- Independent Director of AB Capital Securities, Inc.
- Independent Director of Maya Bank, Inc.





RICARDO GABRIEL T. PO

VICE CHAIRMAN (Filipino, 55)

DATE OF APPOINTMENT: 31 March 2016

LENGTH OF SERVICE: 6 years

PROFESSIONAL & ACADEMIC BACKGROUND:

- 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:

Other Publicly Listed Companies - Affiliates

- Vice Chairman of Century Pacific Food, Inc.
- Vice Chairman of Arthaland Corporation
- Director of IP E-Game Ventures, Inc.



LEONARDO ARTHUR T. PO

DIRECTOR & TREASURER (Filipino, 46)

DATE OF APPOINTMENT: 31 March 2016

LENGTH OF SERVICE: 6 years

PROFESSIONAL & ACADEMIC BACKGROUND:

- 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 & POSITION:

Other Publicly Listed Companies - Affiliates

- Treasurer and Director of Century Pacific Food, Inc.



TEODORO ALEXANDER T. PO

VICE CHAIRMAN (Filipino, 53)

DATE OF APPOINTMENT: 31 March 2016

LENGTH OF SERVICE: 6 years

PROFESSIONAL & ACADEMIC BACKGROUND:

- 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 Food, Inc. since 1990. Designed, built, and managed several factories of the Group

PRESENT DIRECTORSHIP & POSITION:

Other Publicly Listed Companies - Affiliates

- Vice Chairman, President, & Chief Executive Officer of Century Pacific Food, Inc.



VICENTE L. GREGORIO

DIRECTOR, PRESIDENT & CEO (Filipino, 57)

DATE OF APPOINTMENT: March 2013

LENGTH OF SERVICE: 9 years

PROFESSIONAL & ACADEMIC BACKGROUND:

- Has more than thirty-five years of experience in the food business, twenty-five of which in top executive positions of major food chains
- Led PIZZA since February 2003, overseeing the Company's achievement of consecutive double-digit growth for sixteen years—a feat never seen in the food service industry
- Known for his passion for excellence and has spoken and shared his WOW! Philosophy to major companies and organizations like Coca-Cola, Nestle, San Miguel Corporation, the Philippine Franchise Association, and the Organization Development Practitioners Network
- Holds a Bachelor of Science degree in Electrical Engineering from the Central Colleges of the Philippines
- Earned units from the Business Administration Master's program of the Graduate School of Business at Ateneo de Manila University

PRESENT DIRECTORSHIPS & POSITIONS:

Non-Listed Companies/Organizations

- Member of the board of the Philippine Franchise Association, Cavallino, Inc., Don Bosco Technical College, Bosconian International Chamber of Commerce, and Plan Master Insurance and Financial Services, Inc.
- Trustee of the Philippine Franchise Association Board





LANCE Y. GOKONGWEI

DIRECTOR (Filipino, 56)

DATE OF APPOINTMENT: 15 July 2021

LENGTH OF SERVICE: 1 year and 6 months

PROFESSIONAL & ACADEMIC BACKGROUND:

- President and Chief Executive Officer of JG Summit Holdings, Inc.
- Chairman of Robinsons Retail Holdings, Inc., Universal Robina Corporation, Robinsons Land Corporation, Altus Property Ventures, Inc., JG Summit Petrochemical Corporation, JG Summit Olefins Corporation and Robinsons Bank Corporation
- President and Chief Executive Officer of Cebu Air, Inc.
- Director and Vice Chairman of Manila Electric Company
- Director of Oriental Petroleum and Minerals Corporation, United Industrial Corporation Limited and Meralco Powergen Corporation.
- Member of the Board of Global Reporting Initiative
- Trustee and Chairman of the Gokongwei Brothers Foundation, Inc.
- Received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania

PRESENT DIRECTORSHIPS:

Other Publicly Listed Companies - Affiliated Companies

- Chairman of Robinsons Retail Holdings, Inc., Universal Robina Corporation, Robinsons Land Corporation, and Altus Property Ventures, Inc.
- Director of Cebu Air, Inc., Manila Electric Company, JG Summit Holdings, Inc., and Oriental Petroleum and Minerals Corporation



FERNAN VICTOR P. LUKBAN

INDEPENDENT DIRECTOR (Filipino, 62)

DATE OF APPOINTMENT: 14 October 2016

LENGTH OF SERVICE: 6 years

PROFESSIONAL & ACADEMIC BACKGROUND:

- 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 and the Pacific
- Founding fellow of the Institute of Corporate Directors

PRESENT DIRECTORSHIPS:

Other Publicly Listed Companies - Affiliated Companies:

- Independent Director of Century Pacific Food, Inc.
- Independent Director of Arthaland Corporation

Other Publicly Listed Companies

- Director of Central Azucarera de Tarlac, Inc. (CAT)



FRANCES J. YU

INDEPENDENT DIRECTOR (Filipino, 53)

DATE OF APPOINTMENT: 16 August 2018

LENGTH OF SERVICE: 4 years

PROFESSIONAL & ACADEMIC BACKGROUND:

- 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
- Graduated Magna Cum Laude from the Augustine Institute in Denver with a Master's Degree in Theology

PRESENT DIRECTORSHIP:

Other Publicly Listed Companies - Affiliate Companies

- Independent Director of Century Pacific Food, Inc.



PAULO L. CAMPOS III

INDEPENDENT DIRECTOR (Filipino, 39)

DATE OF APPOINTMENT: 14 October 2016

LENGTH OF SERVICE: 6 years

PROFESSIONAL & ACADEMIC BACKGROUND:

- Co-founder and Chief Executive Officer of ZALORA Philippines, having founded the company in late 2011
- Former management consultant with The Boston Consulting Group in Singapore where he worked with companies across the region on issues related to business development, organizational development, investor communications and strategy
- Former Special Assistant to the President of Ayala Land, Inc.
- Holds a Master's degree in Business Administration from Harvard Business School
- Graduated Magna Cum Laude from Princeton University with a degree from its Woodrow Wilson School of Public and International Affairs

ADVISERS TO THE BOARD



MA. PILAR P. LORENZO

PROFESSIONAL & ACADEMIC BACKGROUND:

- Graduate of Marymount College, New York with a Bachelor of Science degree in Business Administration major in Finance
- Served as Vice Chairman of International Family Food Services, Inc. (IFFSI) - now Shakey's Pizza Asia Ventures, Inc. (PIZZA) - until the sale to Century Pacific Group.
- Currently serves as Chairman of Panda Development Corporation (Dunkin' Donuts franchisee), Director of Cavallino, Inc. (RACKS) and Tencav Corporation (Tenya)
- Member of The Beacon School's Board of Trustees



LEOPOLDO H. PRIETO, JR.

PROFESSIONAL & ACADEMIC BACKGROUND:

- Graduated from Georgetown University College of Arts and Sciences with a Bachelor of Arts degree in Economics and International Finance in 1971
- Chairman of IFFSI until the sale to Century Pacific Group
- Currently serves as Chairman of Cavallino, Inc. and Tencav Corporation
- Member of the Board of LLP Enterprises, Inc.

SENIOR MANAGEMENT



VICENTE L. GREGORIO PRESIDENT & CEO

DATE JOINED: 2003

EXPERIENCE: Has more than 35 years of experience in the food business, 25 of which in top executive positions of major food chains. Under his leadership, the Company has posted double-digit growth consecutively for the past seventeen years. A graduate of the Business Administration Master's program of the Graduate School of Business at Ateneo de Manila University



MANUEL T. DEL BARRIO CHIEF FINANCE OFFICER, CHIEF RISK OFFICER, & CHIEF INFORMATION OFFICER

DATE JOINED: 2016

EXPERIENCE: Also serves as the Company's Compliance Officer. Previously the Assistant VP for Finance of CNPF and The Pacific Meat Company, Inc. Former Industrial Accounting Manager in TEMIC Telefunken Semiconductors, Inc. and held accounting positions in Hooven Philippines and Sanara, Inc. A Certified Public Accountant and a Certified Management Accountant



JORGE MA. Q. CONCEPCION GENERAL MANAGER - SHAKEY'S

DATE JOINED: 2014

EXPERIENCE: Former General Manager in Gallo Giro, Red Ribbon Bakeshop, Inc., and Hunts Universal Robina Corporation. Held various positions in California Manufacturing Company and was a Brand Manager of the Foods Division, Philippine Refining Company of Unilever Philippines. Has a Master of Science in Engineering and Operations Research from the University of the Philippines



JOSE ARNOLD T. ALVERO CHIEF OPERATING OFFICER - POTATO CORNER

DATE JOINED: 2017

EXPERIENCE: Has more than 37 years of transnational experience in Hotel Operations, Restaurant General Management, Franchising, Business Development, Strategic Planning, Mergers & Acquisitions, Market Entry Start-up, and Team Development. Held previous positions for Shakey's Philippines such as VP for International and Franchise & Business Development Head, Business Unit GM for Franchised Store Operations, Director for Franchise and Business Development, and Planning and Business Development Director



JENNIFER V. LAPA EXECUTIVE DEVELOPMENT CONSULTANT

DATE JOINED: 2003

EXPERIENCE: Graduated with a bachelor's degree in Foreign Service from St. Theresa's College. Obtained her Cognate in Organization Development, major in Enterprise Leadership and her PhD in Organization Development from the National University of Singapore. Worked as VP for Human Resources for The Expressions Company; Former President of Enthos, Inc. Former AVP - Organization and Management Development at San Miguel Beer Group. Former VP of HR for the Greater China business of San Miguel Brewing Group International



MARIA ELMA C. SANTOS GENERAL MANAGER - PERI-PERI CHARCOAL CHICKEN & SAUCE BAR

DATE JOINED: 2004

EXPERIENCE: Previously Shakey's Guest Engagement Director in 2015, and General Manager of Project Pie from 2016 to 2017. Mid of 2017, became Shakey's Delivery Systems Head and headed the HR Division of Shakey's until mid-2019. Currently leads the team of Peri-Peri as the General Manager starting from its acquisition in June 2019. Has a Master's degree in Business Administration from the Ateneo-Regis Program



GILBERT L. TOLENTINO
GENERAL MANAGER - EMERGING BRANDS
BUSINESS DEVELOPMENT HEAD

DATE JOINED: 2006

EXPERIENCE: Has 33 years of experience in the food industry, including 15 years with Shakey's. Has handled different departments such as Operations, Training, Organization Development, Franchising, Business Development, and Technical Services. Previously the Group Training Manager for Pancake House, Dencio's, and Teriyaki Boy



ALOIS BRIELBECK
GENERAL MANAGER - IN-HOUSE COMMISSARY

DATE JOINED: 2005

EXPERIENCE: Moved to the Philippines in February 2000 as the Chief Operating Officer for Culinary Systems Specialists Inc., a company involved in the production of bakery products to both local and export markets. Held key positions in pastry kitchens in Hong Kong and Tokyo, Japan before moving to the Philippines. Fully-qualified Baker with a Baker Master Diploma from the Master School of Lochham in Munich, Germany



ROMMEL M. TURBANOS
COMPANY-OWNED BUSINESS UNIT DIRECTOR

DATE JOINED: 2021

EXPERIENCE: Handles the operations of more than 100 Shakey's company owned stores. Joined Shakey's in 2021 as a Special Projects Manager and took the lead in growing and enhancing Supercard. Has more than 30 years of providing strategic leadership in the Food Retail Industry



OLIVER C. SICAM
GROUP DIRECTOR FOR MARKETING, PIZZA

DATE JOINED: 2022

EXPERIENCE: Has more than 20 years of experience in Market Development, Brand and Category Strategy, Brand Communication and Innovation, and Developing and Emerging Markets from various industries both local and abroad. Former Managing Director of GenerationHope, Inc. and the Marketing and Strategy Director for Plastic Credit Exchange, the 1st Global Non-profit Plastic Offset Program



RUBENRICO R. MARASIGAN
CHIEF HUMAN RESOURCES OFFICER

DATE JOINED: 2021

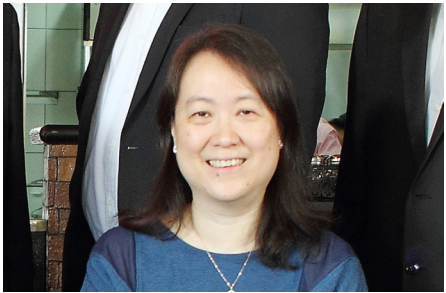
EXPERIENCE: Has over 20 years of HR and Organization Devt experience from various organizations across diverse industries both local and abroad. Held HR leadership roles such as Vice President in BPI, Asst. Vice President in Jollibee Foods Corp, Senior General Manager in Toyota, and other key HR roles from Makati Devt Corp, Convergys, IML, and DLSU. Holds a Bachelor's Degree in Philosophy from University of St. La Salle, a Master's Degree in Formative Counseling, and academic units for a Doctorate Degree in Educ. Leadership from DLSU



KARINA KELLDA M. CENTENO
GROUP DIRECTOR FOR DIGITAL, LOYALTY & DELIVERY, PIZZA

DATE JOINED: 2019

EXPERIENCE: Formerly the Chief Operating Officer of Storm Technologies and a founder and Managing Director of Adobo Connection, Chopstop, and Sisig Society. Started her career in Unilever and handled two of the largest hair brands in the country. Graduated from Ateneo de Manila University's Management Honors Program with latin honors



MARY JENNIFER S. TAN
GROUP PROCUREMENT DIRECTOR

DATE JOINED: 2016

EXPERIENCE: Leads corporate procurement for Century Pacific Food, Shakey's Pizza, and Pacific Pabahay Homes. Held various strategic purchasing, procurement and supply chain roles at Coca-Cola Philippines, Avon Products, and SC Johnson & Son. Earned MBA units from De La Salle University. Holds a bachelor degree in Chemical Engineering from De La Salle University



KATHRINA M. DAVID
SUPPLY CHAIN MANAGER

DATE JOINED: 2017

EXPERIENCE: Supply Chain Manager of Shakey's Pizza, Peri-Peri and R&B Tea, bringing in almost 14 years of experience in Procurement, Audit and Accounting. Formerly the Shared Services Manager for PIZZA, handling Corporate Procurement and Administrative Shared Services. Holds a bachelor degree in accountancy from Holy Angel University. Certified Purchasing Professional



MARIA ROSARIO L. YBANEZ
CORPORATE SECRETARY

DATE JOINED: 2018

EXPERIENCE: Concurrently serves as the Legal Counsel and Compliance Officer of CNPF. Graduated with a Bachelor of Arts degree in Legal Management from the Ateneo de Manila University and obtained her J.D. from the Ateneo de Manila School of Law. Has been involved in the practice of Civil, Labor, Criminal, Corporate and Intellectual Property laws since 2001



DAREL G. PALLESCO
CORPORATE INTERNAL AUDIT MANAGER

DATE JOINED: 2014

EXPERIENCE: A former internal auditor of SGV & Co. / Ernst & Young Philippines working on various consulting engagements on risk management, internal controls and governance with clients from diverse industries. He has worked for multinational companies including PMFTC Inc. and Johnson & Johnson. He is a Certified Internal Auditor and a Certified Public Accountant. Holds a bachelor degree in Accountancy from San Sebastian College - Recoletos de Cavite



MYROSE APRIL C. VICTOR, CPA
POTATO CORNER CORPORATE RESOURCES & FINANCE DIRECTOR; HEAD OF INVESTOR RELATIONS

DATE JOINED: 2021

EXPERIENCE: Has over 16 years of experience in financial management, audit, business consulting, and banking. Worked with various companies including top multinational corporations and food service businesses in the Philippines. Holds a Bachelor of Science degree in Business Administration & Accountancy from the University of the Philippines and received a Global Master degree in Finance from the IE Business School



ATTY. JAMES EARL R. CHEW
CORPORATE LEGAL COUNSEL & DATA PROTECTION OFFICER

DATE JOINED: 2016

EXPERIENCE: Graduated from Ateneo de Davao University with a degree in Political Science Major in Political Science and Government and immediately took Law in Far Eastern University Institute of Law. His fields of legal practice are in labor, corporate, tax, civil and privacy laws. Joined Shakey's in 2016 to lead the Employee Relations Department and in 2017 became the first In-House Legal Counsel of the company and its subsidiaries

SHAKEY'S MANAGEMENT

Rolando Bonifacio
Severino Manotok
Ferdinand Lim
Regina Asa
Gale Roque

Veronica Mercado
Emily Alvarez
Celeste Tubu
Cherry de Mesa
Mariel Fangre

PERI-PERI MANAGEMENT

Mary Joy de Villa
Donato Dalisay
Phillip Orticio
Rowena Canizares
Glenn Rico Delmonte

R&B AND PROJECT PIE

Mary Joy de Villa
Donato Dalisay
Phillip Orticio
Rowena Canizares
Glenn Rico Delmonte

POTATO CORNER

Engle Chua
Ysai Clemente-Mastrile
Kathryna Manalo
Hazel Sason
Paulo Perez
Andrea Santos

Charm de Leon
Samuel Baltazar
Mai Salangsang
Keempee Gacula
Joanna Isidoro

BEGIN WITH OUR WHY

PURPOSE

To provide great times and great memories...always!

VISION

To be the preferred and dominant family casual dining restaurant chain and food service group in the Philippines with a portfolio of brands with strong equity and industry leading margins.

MISSION

We are a guest-centric organization. Our solid commitment to our stakeholders to create superior value results in enduring success.

OUR GUESTS

We genuinely care for our guests. We seek to know their needs and wants and provide them high-quality food products and services that will exceed their expectations, thus providing them superior value for money.

OUR EMPLOYEES

We nurture an environment where people are respected, empowered to be their best, and rewarded for their contributions. We create opportunities for personal and career growth so they may succeed and gain a sense of achievement and pride.

OUR SHAREHOLDERS

We grow the business by increasing the size and value of the company and by achieving industry-leading returns on investment, while creating long-term value to all our stakeholders.

OUR BUSINESS PARTNERS

We are ethical, fair, professional, and collaborative business partners.

OUR COMMUNITY

We commit to Sustainable Development by engaging in social and environmental causes that will promote Quality of Life as our legacy to future generations.

CORE VALUES

GUEST-FOCUSED

All our actions are centered towards enhancing the Shakey's experience and value for all our guests.

UNDERSTANDING & RESPECT

We have the humility to listen and ask questions to understand the other person's views and opinions. We are open, fair, and without bias in our judgment.

EXCELLENCE

We set high standards of performance by doing things better than before, better than others, and better than expected. It's a WOW thing!

SENSE OF OWNERSHIP

We take charge. We are proactive and have a strong sense of accountability. Sense of "malasakit" is demonstrated through prudent use of resources.

TRUSTWORTHINESS

We are ethical, honest, and trustworthy, with unquestioned integrity in words and actions.

1 TEAM, 1 PASSION

We have shared vision and values, thereby seeking the best from each other toward achieving one goal. We continually communicate and collaborate amidst diverse ideas and opinions.

STRATEGIC THINKING

We see the big picture, critically analyze key assumptions, and understand the relationship of its parts. We anticipate the long-term impact and strive for responsible and sustainable growth.

TENACITY

We are resolute and persistent in the pursuit of goals. We demonstrate grit and "gigil" and have the urgency to get things done.



THE SHAKEY'S BUSINESS & OUR GROWTH AMBITION

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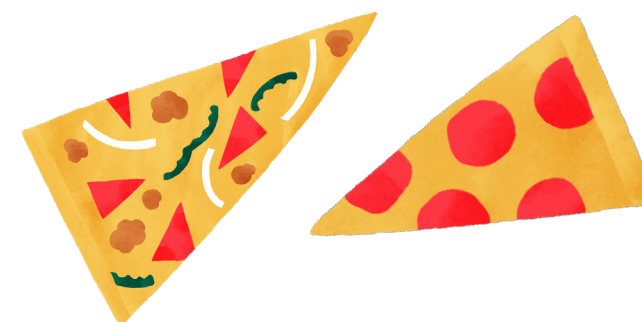
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We are Shakey's Pizza Asia Ventures, Inc. (PIZZA), one of the leading casual dining restaurant chains and food service groups in the Philippines.

We are engaged in operating, maintaining, and franchising the "Shakey's", "Peri-Peri Charcoal Chicken and Sauce Bar" ("Peri-Peri"), and "R&B Milk Tea" ("R&B"), and "Project Pie" brands. In 2022, we added another brand to our portfolio, "Potato Corner", the undisputed leader in kiosk-based flavored fries.

At the core, we are a guest-centric organization, in the business of serving our guests with great food, making great times and great memories. This purpose cuts across all our brands - our WOW! Brands- each one built to meet and exceed the expectations of our guests. To sustainably grow our business, we purposefully invest in our brands, in our stores, and in our people.



WOW! BRANDS

At PIZZA, we envision to be the preferred and dominant casual dining & food service player in the Philippines with a portfolio of brands with strong equity and industry-leading margins. Thus, in recent years, we have begun expanding our roster of brands to build a range that is aligned with our growth strategy and WOW! criteria.

To be a WOW! Brand, a food concept needs to either be a market leader or has the capability to be a market leader because of its compelling value proposition. A brand must have the capability to scale, deliver industry leading margins, is off-premise friendly, and cater to the market sweetspot - the affordable premium segment.

Since inception, we have been strengthening the equity of our lead brand, Shakey's, which has become a strong #1 player in the full-service pizza category. In 2019, we added Peri-Peri, an emerging player in full-service roasted chicken. In 2020, we were granted the Philippine master franchise for R&B, one of the leading milk tea players in Singapore. 2021 was the year we relaunched Project Pie, an artisanal pizza concept known for its Build-Your-Own pizzas, and it was in 2022 when we acquired Potato Corner.



PROVEN & SCALABLE BUSINESS MODEL

Multiple sales channels and store formats provide convenience and accessibility to our guests - a model that has allowed for market expansion and flexibility, especially during the pandemic.

MULTI-CHANNEL

Dine-in is our most popular sales channel where we offer guests unique experiences across all our brands. We create an ambiance that is perfect for gatherings of family and friends.

The Company also has a robust off-premise business through delivery and carry-out channels. We have a well-established in-house platform composed of our hotline and digital platforms - website and mobile app. The Company has strategic partnerships with food aggregators as well.

MULTI-FORMAT

PIZZA's restaurants are presented in different store formats such as legacy stores, free-standing stores, mall and strip mall outlets, and gasoline kiosks, enabling us to capture the diverse needs of the market.

We have made strategic pivots during the pandemic by building smaller store formats geared towards off-premise dining such as ghost kitchens and DelCos. We also created multi-brand stores, which allowed us to maximize our assets and efficiently expand our footprint. Now that the pandemic has receded, we are maximizing our stores to cater to the resurgence in dine-in footprint.

Our scalability likewise stems from well-established and emerging WOW! Brands, all operating on an asset-light model.



AFFORDABLE PREMIUM SWEETSPOT

We are firmly positioned in the casual dining and affordable premium segment, catering to the middle and upper market segments, that delivers high margins and good volumes. This space is primed for a developing country and will benefit as consumers eat out more and upgrade their food choices.

VERTICAL INTEGRATION

Our own commissary for proprietary raw materials protects key supply chain and maintains consistency and control over quality. This creates economies of scale and purchasing synergy.

ASSET-LIGHT APPROACH

We operate a 100% leased model, keeping the business asset-light. Long-term leases in store locations with attractive rental rates lead to low rent-to-sales ratio.

LUCRATIVE FRANCHISING MODEL

Our attractive box economics, a result of the business model and strong cost discipline, demonstrate a typical payback period of 3-4 years. Low upfront cost and strong cash generation per store make Shakey's a lucrative investment for franchisees.

Overall, through our proven and scalable business model, PIZZA was able to navigate through the challenges brought about by the pandemic and take advantage of opportunities that arose to secure long-term, sustainable growth.

WOW-ING CULTURE

We are in the business of serving people. We embrace a tried-and-tested organizational philosophy that seeks to exceed the expectations of our guests - the WOW! Principle.

We have an experienced management team at the helm of the business, lending their expertise as we seek to expand our roster of brands. All the while, we are injecting new talent into the business, bringing fresh perspectives to unlock new avenues for growth.

As a guest-centric organization, we have a solid commitment to our stakeholders to create superior value, resulting in enduring success. We value feedback from our guests and, driven by data, we employ agile ways of working to continuously improve our service and menu to deliver superior value.



OUR WOW! BRANDS

SHAKEY'S PIZZA PARLOR

Shakey's is the Philippines' leading full-service pizza chain and is the single-largest brand of full-service casual dining chain restaurants in the country. It is a strong and well-established brand thanks to a differentiated menu, iconic and well-loved products, a distinct store environment, and highly guest-centric service.



PERI-PERI CHARCOAL CHICKEN AND SAUCE BAR

Acquired in 2019, Peri-Peri is an emerging fast-casual and full-service restaurant brand in the Philippines that is famous for its charcoal grilled chicken and variety of specialty sauces that make use of a distinct African bird's eye chili called 'piri-piri', which releases a fiery spice and helps create a wealth of flavors in every dish. Over the years, the brand has gained much traction, appealing to Filipinos' love for both poultry and strong distinctive taste.



POTATO CORNER

Potato Corner is one of the leading kiosk-based food brands in the Philippines and the undisputed in the flavored fries segment. A top-of-mind entry point for budding entrepreneurs, its business has expanded progressively in the Philippines and overseas. The brand was acquired by PIZZA in 2022.



PROJECT PIE

An artisan pizza concept brought to the Philippines in 2013, Project Pie is well-known for its build-your-own pizzas. The brand was relaunched in 2021 and opened its doors in Shopwise, a hypermarket by Gokongwei-led Robinsons Retail Holdings, Inc.

BUILD YOUR OWN

PROJECT
PIE

PIZZA • PASTA • SALAD

R&B TEA

In 2020, PIZZA entered into a master franchise agreement to bring R&B Tea to the Philippines. R&B is one of the leading milk tea and bubble tea players in Singapore. It currently has more than 1,000 outlets worldwide, spanning across China, US, Singapore, Cambodia, Vietnam, Malaysia and Indonesia.



UPDATES FROM THE GENERAL MANAGERS



STRENGTHENING THE CORE

BY: JORGE MA. Q. CONCEPCION
GENERAL MANAGER - SHAKEY'S

The **"Fun, Family, Pizza"** legacy pledge of Shakey's has been a core promise of the brand and has consistently been carried over the years. This raised Shakey's momentum, making it the #1 full-service casual dining restaurant chain in the country.

Despite the pandemic, inflation, the war in Ukraine and the resulting global supply chain and shipping delays over the past 3 years, Shakey's continued to pursue our store network development strategy. In 2022, Shakey's successfully opened 6 local stores and another 2 International stores in Singapore and Dubai.

To sustain our sales recovery, we launched promotional bundles driving loyalty, and sharpened our focus on our solo and duo meals using our iconic **Bunch of Lunch**.

We continued aggressively with product innovation, launching the **New Spinach Pizza Series** with not just one but 3 exciting flavors, Spinach and Glazed Bacon, Spinach and Shrimp, and Spinach and Mushroom. We also introduced the **New Tender Roast Beef Pizza** as our holiday pizza offer.

To reinforce the brand equity of Shakey's, we relaunched a thematic campaign: **There's noTHIN' like Shakey's**, which showcased the superiority of our original Thin Crust Pizza across all pizza variants.

Another major milestone was the **1st Shakey's Super League Pre-Season Tournament**. In partnership with ACES, we hosted the first ever volleyball league that featured the participation of all 18 schools of the UAAP and the NCAA, marking our comeback in women's collegiate volleyball. In line with this, the **Shakey's Super League (SSL) Bundle** was also offered, wherein

P100 was donated to the chosen university for every SSL meal bundle sold.

When it comes to our powerhouse Delivery segment, we reinforced the **New Shakey's Super App** and the **New Shakey's Super Delivery re-branding** by tapping BINI - a Philippine Pop Girl Group as one of our Brand Endorsers, appealing to younger audiences.

On the people side, we resumed training programs geared towards service excellence and product quality. We have certified 472 trainers and developed 161 Specialists at the end of 2022 and intend to continue to aggressively pursue our hiring and development programs to support our store expansion plans.

We instituted Project Nerdy (or Near and Ready), with the aim of hiring and deploying store employees within 30 minutes from their place of residence. By year end, Project Nerdy has hit 91%, way above our initial 80% expectation. Most recently, Shakey's reopened its doors for inclusive hiring with 'Love 'Em Down' to provide jobs to individuals with Down Syndrome in partnership with the Down Syndrome Association of the Philippines. We plan to rapidly scale up the project to at least 50 stores in 2023. We also partnered with the City of Manila to deploy 10 Senior Citizens and 10 PWD's in our Manila stores.

As we celebrate Shakey's 48th year in the Philippines, we are always conscious of the importance of consistently having a **WOW-ing** mindset and turning all our challenges into opportunities. With this, we can continue to WOW our guests and give life to our brand promise of having **"Great Times, Great Memories"** with Shakey's.



FRYING HIGH AND LEADING THE FRYVOLUTION: FUN-TASTIC TIMES IN 2022

BY: JOSE ARNOLD T. ALVERO
CHIEF OPERATING OFFICER - POTATO CORNER

It's been close to a year since I officially started my stint as Chief Operating Officer (COO) of Potato Corner - the newest addition to the WOW! Brands under the PIZZA stable. Being chosen to be the chief steward of a leading, trusted, and beloved Filipino global snack brand was a very daunting mission, but with God's grace, the transition period went well.

The first year of any acquisition always poses a lot of challenges that a COO has to address.

In my case, based on what we had seen during the due diligence period and priorities identified, we worked on retaining key employees, cultural onboarding, managing complexity of supply chain, maintaining brand reputation, and improving operational efficiency.

With that as our mandate, we are happy to share that Potato Corner delivered WOW-ing scores for 2022 by exceeding targets on all fronts - better than before, better than others, and better than expected. Not easy, but we strove to be the best that we can be in 2022.

The WOW-ing results for 2022 are testaments to the love for our world's best flavored fries as well as the outstanding performance of our esteemed franchisees. With over 30 years of existence, our beloved, iconic, and homegrown brand has proven that it is a sustainable concept, providing healthy returns and demonstrating an adaptable business model that is partnership-centric and execution-friendly.



So, quo vadis? After a WOW-ing first year, there is no turning back. The clarion call of having a **"POTATO CORNER IN EVERY CORNER"** has become even more inspiring, noble, and inclusive.

As we ended 2022 and look to what lies ahead, we aspire to generate exponential growth for Potato Corner in the next 4 years - delivering industry-leading margins and partnering with ACE (aligned, committed, engaged) franchisees, thus maintaining its leadership position in the hearts, minds, and stomachs of everyone looking for fun and flavorful moments.

In line with our vowed advocacy of helping MSMEs through our franchising program, we will be at the forefront of creating opportunities for would-be entrepreneurs globally - transforming their lives and making them active participants in nation-building.

With Team Potato Corner and its esteemed business partners walking abreast with the same cadence and rhythm without missing a beat, we will future proof our brand by doing what we do best - to WOW our guests this year and beyond!



A FLAVOR ADVENTURE SOARING TO NEW HEIGHTS

BY: MARIA ELMA C. SANTOS

GENERAL MANAGER (CHIEF ADVENTURER) -
PERI-PERI CHARCOAL CHICKEN AND SAUCE BAR



2022 was a hope-filled year for the brand. After the emergence from the COVID-19 lockdown periods and a slow re-opening of the market, a resurgence was felt in the stores as guests started to increase their dine-in patronage. While maintaining the safety measures in place, Team Peri made sure we were able to re-introduce our guests to the Peri Experience of dining in and enjoy their Peri favorites. It was still a challenge as people adapted to the new normal. On our end, we focused on improving service as the store teams adjusted to the growth in volume while ensuring the guests' safety and that the quality standards of our hero product - the Charcoal Grilled Chicken - be consistently done in all the stores.

The rapid expansion continued as we opened 16 new stores in various locations across Metro Manila and a few provincial areas. In the last two years, we benefited from the opportunistic strategy of opening small format stores (Peri Jr's - Container Vans) during the height of the pandemic, but with the resurgence of Dine-In, we started converting some of the successful sites of the Peri Jr's to a full store set up. This will allow our guests in those communities to not just taste Peri-Peri via delivery and carry-out but hot and fresh in-store with a full dine-in service set up and ambiance.



We continue to learn from every site we open and from every feedback we receive from our internal and external guests. We adapt the growth mindset matched with agility as we further the brand to move towards reaching its full potential. The pressure of rising costs remains to be there, but we are continuously finding ways and means to work on better cost management and profitability. The speed of expansion gave us our fair share of challenges on people, but we addressed these through our talent attraction and people development initiatives. Fine tuning and aligning to the needs of a growing organization will remain to be a priority for the coming year.

The market has been truly kind to the brand, as we feel the high trial and acceptance for Peri-Peri Charcoal Grilled Chicken and a growing fan base for our Signature Sauces and our stores wherever we open. As a growing brand in the industry and category we compete in, we are motivated by the positive reception as we continually bring the flavor adventure to more spaces and places in the country.

THE SPEED OF
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DEVELOPMENT INITIATIVES



A TEA-RIFIC VOYAGE OF GROWTH AND INNOVATION

BY: GILBERT L. TOLENTINO

GENERAL MANAGER - EMERGING BRANDS
BUSINESS DEVELOPMENT HEAD



R&B Tea Philippines is a proud member of the growing R&B Tea community worldwide, with the brand having a network of over 2,000 stores across China, USA, Australia, Singapore, Vietnam, Indonesia, Cambodia, and Malaysia.

From R&B Tea Philippines' first two stand-alone stores in 2021 - the first drive-thru milk tea store in the country located in Retiro, Quezon City and an in-line store in Shopwise Sucat, Parañaque - 2022 proved to be a good year for the brand as it opened seven stores of different business models and launched several brand-building initiatives.

The first R&B mall kiosk opened in Festival Mall, Alabang in May, strategically located at the center of the mall with high visibility and accessibility. The success of R&B Festival Mall paved the way for more mall kiosk openings within the year: SM Tanza, Greenhills Viamall, SM Tuguegarao, and SM Cauayan.

In September, R&B Tea MCX opened in Muntinlupa-Cavite Expressway which connects the South Luzon Expressway to Bacoor, Cavite. The MCX branch is the second R&B drive-thru store and the first collaboration with our sister brand Potato Corner. The collaboration proved to be very successful - premium and authentic R&B Milk Tea and refreshing Fruit Teas perfectly partnered with the savory and flavorful Potato Corner French fries. Guests exiting the MCX now can order their perfect companion during rush hours and the perfect "pasalubong" tandem for their loved ones.

Another R&B Tea and Potato Corner collaboration opened in Boracay in November. Boracay is one of the best beaches in the world and one of the most aspirational tourist destinations in the country. Both brands captured the hearts of the tourists, a perfect handheld companion while enjoying Boracay's pristine waters and white sand beaches.

As the pandemic slowly eased, R&B launched two major products - the Milo Dino-monster and R&B's Plant-based Milk Tea. The Milo Dino-monster is for both kids and kids at heart who love malt-based chocolate and fresh milk with R&B's signature brown sugar boba and delicious

cheese cream. The Plant-based Milk Tea on the other hand uses plant-based pearls, coco sugar, and soy milk, perfect for all the plant-based diet fanatics. It is truly boba-liciously lite and tea-rrific!

To further spread cups of happiness, the R&B Par-Tea Cart was launched for private parties and special events. The premium and authentic creaminess and refreshing goodness of R&B drinks can now be booked for anyone's memorable and special events, which can be further enhanced with the presence of R&B's very adorable and huggable mascot named "Arbie". What a unique way to celebrate!

In 2023, R&B Tea will continue to WOW all the milk and fruit tea connoisseurs with its premium signature drinks: Milk Tea with Brown Sugar Pearls and Cheese Cream, Milk Tea with Brown Sugar Pearls and Cheese Brûlée, TNT Booster, Milo Dino-monster, and Plant-based Milk Tea. Since it started, R&B has served more than three million cups of happiness in the Philippines and will continue to do more with its expansion plan and new product development. R&B will sustain its "Better Milk Tea" positioning with its premium ingredients, strict product quality standards, continuous processes improvement, and creative delivery of its product and services. Cheers to more opportunities and years to share cups of Happiness.



THE PHILIPPINE REOPENING



The Philippines was one of the countries with the longest lockdowns in the world following the outbreak of the COVID-19 pandemic, with the country undergoing various degrees of quarantine measures since 2020. In the first quarter of 2022, after the onset of Omicron, the country finally eased quarantine restrictions. With this move towards reopening, the Philippines' consumption-driven economy has improved in 2022 as GDP growth clocked in at 7.6% year-on-year.

This economic reopening had a significant impact on the Philippine foodservice industry. The industry has been one of the sectors most severely affected by the pandemic, with many restaurants and concepts closing down. As most establishments relied on dine-in as a major contributor to sales, the relaxation of restrictions to allow for 100% dine-in capacity starting in March was a welcome move for the industry. Due to the reopening, the consumer foodservice industry grew more than 20% year-in-year in 2022, according to a recent Euromonitor report.

Despite this fast growth, the industry still has some room to grow to return back to pre-pandemic levels. There have been structural changes to the industry as a result of the pandemic. While dine-in sales have been strong during the weekends as most establishments have been operating at full capacity on these days, the hybrid work arrangement has impacted dine-in sales during the weekdays. For brands with multiple stores

nationwide, sales from restaurants in central business districts tend to lag behind those in residential areas and in the provinces. In addition, while carry-out sales declined on a year-on-year basis, the segment still grew faster compared to pre-pandemic levels, boosted by the popularity of food aggregators.

With all these, the Philippine foodservice industry still has headwinds to face as the threat of the pandemic recedes. Last year, geopolitical tensions in Europe arose following the escalation of the Ukraine-Russia conflict, adding further volatility to an already fragile global supply chain. While this brought about challenges as to the sourcing and availability of raw materials and ingredients, this uncertainty also affected input costs. Consumers also felt the impact of rising prices with inflation averaging out at 5.8% for 2022, and while they have spent more as a result of the reopening, prices staying higher for longer can ultimately deplete their savings and cause them to cut back on discretionary spending such as dining out.

Overall, the reopening of the Philippine economy in 2022 had a net positive impact on the foodservice industry. While challenges such as rising costs remain on the horizon, companies that are able to adapt to long-term trends and effectively manage costs without sacrificing product quality and service are likely to thrive in the years to come.

INVESTING IN OUR BRANDS

BACK TO THE CORE

BY: OLIVER C. SICAM

GROUP DIRECTOR FOR MARKETING

PIZZA understands the importance of investing in our brands to ensure their long-term success. We are proud of the legacy we have built in making Shakey's a recognizable, trusted, and loved brand. We are committed to building the equity of all our brands and investing to continuously attract and retain a base of loyal guests that will become the foundation for a growing business.

This continuous investment is best exemplified in some of Shakey's key initiatives in 2022, which offered us an opportunity to reset and re-establish the brand coming from a pandemic that has altered guest preferences, introduced new players to the industry, and set new expectations of what constitutes a great foodservice brand. Among many brand building initiatives, 3 aspects stood out the most, and it all entailed going back to the core of the brand - the things that have made the brand famous - and reinterpreting and refreshing it for the current and next generation of Shakey's guests.

CORE PRODUCT

Nothing exemplifies the brand of Shakey's more than its signature product - the very first product that Sherwood "Shakey" Johnson served in the very first location - the now world-famous Original Thin Crust Pizza. In 2022, we had set out to re-establish this signature product in the minds of the public and remind guests why, despite all new challengers, Shakey's pizza still stands out in the category. It's a new refreshed articulation that there is "NoTHIN' like Shakey's!" with its THINcredible Crisp Crust, THINTense Real Cheese, and THINSational Flavor as the delicious balance of brick oven-baked crust, premium toppings, cheddar cheese and sauce really shine through.



CHANNELS & GUEST EXPERIENCE

In 2022, we had made a conscious effort to refresh the guest experience across all the different ways the brand can be patronized. With the resumption of Dine-in, special attention had been made in ensuring WOW-ing service, cozy and homey interiors, and the team had set out to update the store look to make it more contemporary while retaining the brand DNA. These changes will soon be rolled out in the upcoming year to ensure relevance, as guests have now put a premium on upgraded store environments coming from the pandemic. Speaking of new expectations brought about by the pandemic, Delivery has now become an even more important channel, and Shakey's has relaunched its in-house delivery service as Shakey's Super Delivery which has distinct features only Shakey's has - No Delivery Fee, Buy 1 Take 1 Free with a Supercard, and the now famous If It's Late It's Free guarantee. Finally, in terms of channels, Shakey's has stepped up the efforts on Parties and Celebrations, taking advantage of the pent up demand among families who have missed large gatherings and birthday parties especially during the pandemic.



COMMUNITY ENGAGEMENT

Finally, an important initiative for the brand is the grand return of Shakey's involvement in women's volleyball, the launch of Shakey's Super League. After a six-year absence, Shakey's returned to the women's amateur volleyball scene, in which the brand had become synonymous through its 14-year run of the Shakey's V-League. 2022 featured an awesome revival with the first ever Collegiate Pre-Season Championship, that for the first time ever, had ALL 18 UAAP and NCAA women's volleyball teams participate in a 2-month long tournament. Another key component of this initiative is the Shakey's Super League Bundle, a special promotional meal that, through guests' patronage and participation, helped raise over 8 million pesos of funds for the participating universities' sports development programs. This is but the start of PIZZA's long-term commitment to supporting and developing women's volleyball at the grassroots level. Not only does this help bring together the community, it helps introduce a new generation to Shakey's commitment to the game and rekindled the affinity of fans to volleyball and to the brand.

Core Products. Channels Experience. Community Engagement. These have been, and will continue to be, important ingredients for building PIZZA's brands and securing long-term success not just for Shakey's but for all WOW! Brands.



MEET POTATO CORNER

BY: JOSE ARNOLD T. ALVERO

CHIEF OPERATING OFFICER - POTATO CORNER

When the opportunity to acquire Potato Corner arose, PIZZA took a look and assessed based on the same criteria as their recent acquisitions - strategic alignment with company's vision and mission, if the brand has the right to win, and if it is fairly priced. The answer to all these is definitely YES.

Potato Corner, a homegrown brand that started in 1992, is the undisputed leader in the kiosk-based fries chain segment in the Philippines. It has been heralded as the original flavored fries in the Philippines and is well-known for its customizable fries - thus becoming one of the most well-loved brands in the country.

From its humble beginnings, the business has grown significantly even in the midst of the pandemic. This is attributable to the brand's strong equity as a consistent top 3 player among chained kiosks in the country, and for being the top-of-mind franchise for micro and small entrepreneurs. The secret flavor to Potato Corner's growth over the years is its simple business model that drives franchise success and, in turn, scalability.

Over the years, Potato Corner has become a global brand with more than 1,200 stores in the Philippines and over 200 stores across 15 countries - and yet it still has an opportunity to expand.

IN THE NEXT FEW YEARS, THE MANAGEMENT EXPECTS TO GROW THIS BRAND EXPONENTIALLY - WITH A VISION OF HAVING A POTATO CORNER IN EVERY CORNER OF THE WORLD

The brand kicked off this one big leap in 2022 with a celebration of its 30th anniversary - the past 30 years have been filled with nothing but fun and flavorful moments. Guests were treated with a free Large Fries for every purchase of a Giga Fries, while internally, the brand held its franchise convention and anniversary thanksgiving, where milestones and key business plans were shared with local and international franchisees.

With more than 750 existing franchisees locally, Potato Corner aims to reach more aspiring entrepreneurs and become the GOLD standard in franchising.

Starting with leveling up its current franchisees, Potato Corner management will conduct a franchise roadshow to get more personal and intimate with them. From



Luzon to Mindanao, the team will discuss its plans as well as gather feedback from the franchisees to be able to develop more meaningful and relevant programs for them.

Through the roadshow, the franchise ACE Program will also be launched. It is a holistic development program and evaluation system that will help franchisees become aligned, committed and engaged.

Potato Corner is also bringing back its Franchise Academy to level up the skills and know-how of its franchisees. It will cover the different fields of business management from finance, accounting, marketing, and business development among other things.

Another initiative of the brand is its partnership with Robinsons Bank, to provide competitive business loan packages; this is to help existing franchisees expand or new franchisees to jumpstart their own Potato Corner business.

In 2023, one can expect a more streamlined process in applying and opening a Potato Corner store. Heavily investing on systems and process improvements, having a Potato Corner franchise will now be easier and faster.

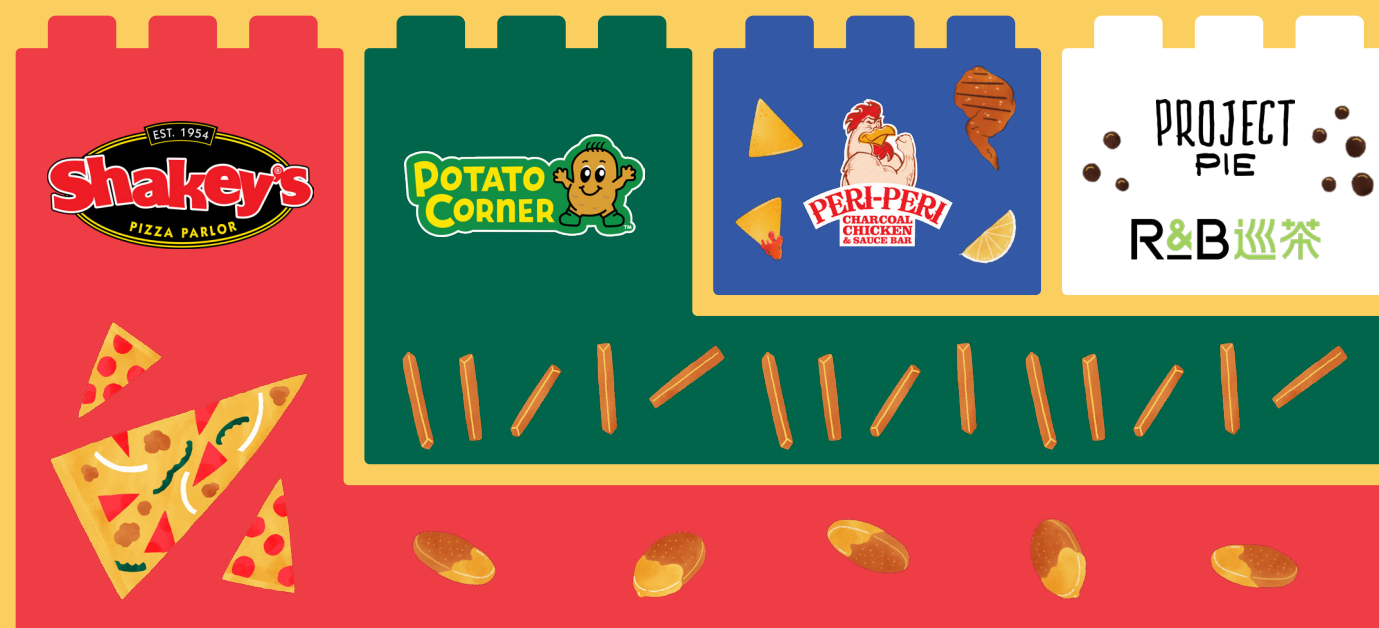
In line with the vision of having a Potato Corner in Every Corner, the brand intends to expand in white spaces within the Philippines as well as strengthen its presence in the Visayas and Mindanao regions.

Overall, these plans are aligned with Potato Corner's ambition of (1) being the top-of-mind global snack brand with freshly cooked flavored French fries as its core product, and (2) the franchise partner of choice of small and medium entrepreneurs.

LEVERAGING A MULTI-BRAND PORTFOLIO

BY: OLIVER C. SICAM

GROUP DIRECTOR FOR MARKETING



2022 saw PIZZA enjoy the benefits of having a strong multi-brand portfolio. With this year's addition of Potato Corner, PIZZA now has an even more formidable stable of WOW! Brands, all poised to create value in their respective categories, and all underpinned by the corporate philosophy of guest-centricity and meeting and exceeding guest expectations.

It was not too long ago that Shakey's was the only brand for PIZZA, and through strategic acquisitions and investments, PIZZA has bolstered its roster allowing it to have a differentiated position in the grilled chicken casual dining space with Peri-Peri Charcoal Chicken & Sauce Bar, the fast-growing Milk Tea & Fruit Tea beverages space with R&B, and most recently the affordable premium snacking kiosks and carts category with Potato Corner. Not to mention, PIZZA continues to leverage the Project Pie brand selectively for synergies in the premium pizza segment.

This multi-brand strategy will be instrumental in helping us achieve even greater performance over the years. By operating several brands under one umbrella, PIZZA will be able to cater to different market segments, guest needs and usage occasions, while leveraging synergies in buying, network and store development, marketing and brand building, and human resources development.

While PIZZA has built a strong business in casual dining, our recent moves have allowed us to address more eating occasions even better, from lunch and dinner to in-between snacks, from large group dining occasions to

solo snacking, across all types of store formats and locations. With today's dynamic and changing environment coupled with changes in guest behavior, the strategic multi-brand approach allows PIZZA to take advantage of new opportunities and insulate from new risks.

During the pandemic, we have seen several examples of synergy in action: co-branded and co-located stores that allowed us to maximize locations while sharing in overheads, using the Shakey's store network to introduce a new milk tea brand, leveraging buying efficiencies for common raw materials. In 2022, we have shown even more examples of synergy: Potato Corner and R&B coming together for the very first co-branded drive-thru store format, as well as a co-located store right beside the newly reopened Shakey's in Boracay Island, proving that flavored fries and milk tea are indeed a perfect match. For the first time we have seen four brands open all together on the same day in a new mall location, and the expectation is for more leverage in store and network development for the whole group, as well as leveraged negotiations in getting favorable rates in media and other service providers.

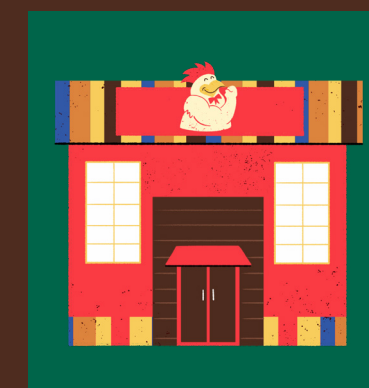
Having a strong portfolio of WOW! Brands is a great demonstration of the whole being greater than the sum of its parts. As with PIZZA's principle, each brand will be nurtured, strengthened and invested on, so that each will add value in its segment, WOW even more guests and create great times and great memories every day, everywhere.

INVESTING IN OUR STORES



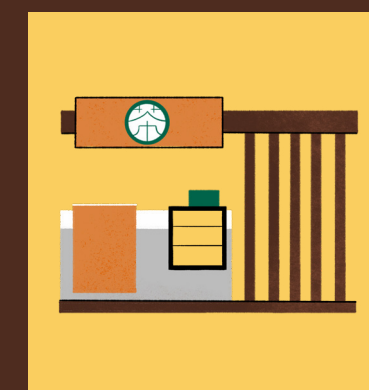
MORE STORES, MORE GUESTS, MORE FUN

From managing only one brand during its IPO in 2016, PIZZA now has a portfolio of WOW! Brands with strong equity and industry-leading margins, allowing the company to grow as the economy started to reopen. While Shakey's remains to be the company's core brand, the newer brands have also been rapidly expanding their footprint, offering distinct store environments and experiences for our guests.



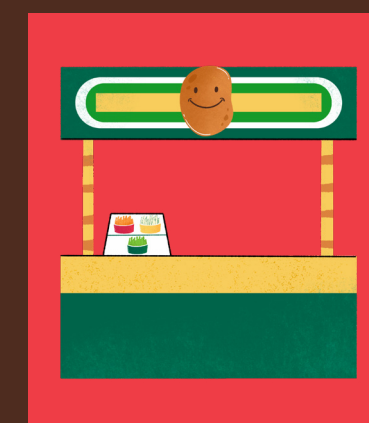
A PERI STRONG CONTENDER

Acquired in 2019 with 21 stores under its wing, Peri-Peri now has more than tripled its store network to 68 stores, making it a very strong number 2 player in the roast chicken category. Peri-Peri outlets have an eclectic and vibrant atmosphere, with the brand collaborating with up-and-coming local artists to design murals and art pieces to further spruce up the restaurants. This year, the brand also introduced some of the first grilled chicken drive-thru outlets in the Philippines termed "fly-thru" restaurants, elevating the typical drive-thru experience by providing express service without losing its distinctive flair. As it gains traction in the metro, Peri-Peri has already set its sights on expanding to Northern and Central Luzon, bringing its signature ambiance even all the way up to the highlands of Baguio City.



REDEFINING & BOOSTING THE TEA EXPERIENCE

Upon bringing home the R&B Tea concept from Singapore to gain a foothold in the massive milk tea market in the Philippines, PIZZA first introduced the brand in its company-owned Shakey's stores in 2020. As restrictions started to ease, setting up the first stand-alone R&B store was one of the top priorities. Given that safety and innovation were also major considerations during that time, R&B came up with something unique and made a splash by opening the first milk tea drive-thru outlet in the country - allowing guests to have a safe and convenient way to enjoy R&B's products. As of year-end 2022, the brand already has 9 stores across various store and kiosk formats, including a store in the busy Muntinlupa-Cavite Expressway (MCX), providing motorists with a modern oasis in the highway alongside other premium snacking concepts such as the newly-acquired Potato Corner.



NEW KID ON THE CORNER

Potato Corner may be the newest addition to the portfolio as it was only fully integrated in March 2022, but the brand has been around for 30 years, attracting customers across all ages with freshly-made flavored fries. As the signature green and yellow carts and kiosks come to sight, it's also not uncommon to see flocks of people lining up by the stores to get their french fry fix. With over 1,000 outlets across the Philippines and more than 200 stores opened domestically in 2022, Potato Corner continues to expand to new locations with newer formats, such as the MCX store beside sister brand R&B and the first drive-thru store along Seaoil Congressional Avenue. To keep up with the times, Potato Corner has also rolled out a new design for its outlets while keeping the familiar green and yellow palette, showing everybody that the concept is ready to get better with age, and better with flavor.



GOING GLOBAL

Looking at PIZZA's portfolio of WOW! Brands, the runway for growth internationally over the next few years looks very promising. As a brand owner, PIZZA is able to generate more revenues from licensing and franchising without having to pay royalties - allowing the company to operate stores with shorter payback periods and generate sustainably higher margins versus peers. In addition, PIZZA has the freedom to execute and react faster to market changes, allowing the company to quickly react to trends.

For Shakey's, PIZZA owns the rights and trademarks in most of Asia, the Middle East, and Australia and Oceania. The company started expanding internationally after its initial public offering in late 2016, and at present, most of the company's international stores are located in the United Arab Emirates. To adapt to the predominantly Islamic culture in this territory, everything on the menu is halal-certified. Nonetheless, the key elements that contribute to a signature Shakey's experience are kept intact, from the distinct flavors to the WOW-ing service.

Just recently, Shakey's opened a store closer to home, in the bustling Lucky Plaza Mall along Orchard Road in Singapore. By establishing a presence in a country with one of the most diverse culinary landscapes, Shakey's not only provides a slice of home to the thriving Filipino community there, but also gives local and expatriate food enthusiasts the chance to try out the brand's iconic thin crust pizzas and Chicken N' Mojos.

As for Potato Corner, the brand started branching out overseas more than 15 years ago and is now in over 14 territories outside the Philippines across five continents - Asia, North America, South America, Australia, and Europe. With PIZZA's recent acquisition, the company now owns the Potato Corner brand globally, giving it access to expand in whatever country it sees fit, with the goal to ultimately put up a Potato Corner in Every Corner.

Given the universal appeal of fries, it's easy to see how Potato Corner can quickly gain popularity worldwide. Potato Corner stores across different countries would also have their unique offerings. On your next vacation, try out the limited edition smiley-shaped fries in Thailand, pair your fries with chicken wings and drumlets in Singapore, or if you're feeling a bit more adventurous, how about dipping your fries in ice cream in Australia?



INVESTING IN OUR PEOPLE

NURTURING ENTREPRENEURSHIP

PIZZA's bolder and bigger moves are driven by the strong entrepreneurial spirit of our people. With top management reinforcing our employees and franchisees to adopt an owner's mindset, they enable the whole ecosystem to be bold and daring, and to actively seek opportunities for the benefit of the company.



WE LOOK AT OUR FRANCHISEES AS PARTNERS. IT'S A LONG-TERM PARTNERSHIP. WE LEARN FROM EACH OTHER. AND TO HELP THEM, WE'RE ALWAYS LOOKING FOR THAT WIN-WIN-WIN SOLUTION. IT'S NOT A ZERO-SUM GAME. IT'S HARD BUT IT'S FUN.

JORGE CONCEPCION, SHAKEY'S GM

OUR ULTIMATE OBJECTIVE IS TO MAKE OUR GUESTS HAPPY. DOING BETTER THAN BEFORE, BETTER THAN OTHERS, BETTER THAN EXPECTED IT'S ALL ABOUT THE RESULTS AND THE RELATIONSHIPS. I ALWAYS THINK THIS IS THE BEST WAY TO ACHIEVE A WOW-ING RESULT.

JOEY ALVERO, PC COO

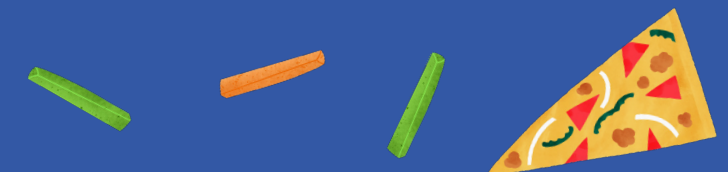
I'VE ACHIEVED SUCCESS BY ADOPTING THE MANY CORE VALUES OF SHAKEY'S. JUST LIKE SHAKEY'S, IT'S ALWAYS IN MY HEAD TO DEVELOP PEOPLE, I WANT THEM TO GET PROMOTED. I ALSO ADMIRE THE WOW-ING CULTURE OF SHAKEY'S, IT'S ALL ABOUT MAKING THE CUSTOMER HAPPY. IT'S VERY IMPORTANT FOR ME TO KEEP THE STANDARDS OF OUR RESTAURANTS HIGH.

PAULA BONDOC, SHAKEY'S & POTATO CORNER FRANCHISEE

Looking at our core business Shakey's, the brand's General Manager Jorge Concepcion shares his journey as a leader in PIZZA. Jorge describes his role as someone who builds and strengthens relationships and as someone who finds opportunity even in the most unfortunate circumstances. He recalls that in spite of the pandemic hitting the industry hard, sparking interest as a result of more locations made available led to the growth in the number of Shakey's franchisees. As for the company's employees, Jorge mentions that during this challenging time, Shakey's employees were given the opportunity to take on higher roles in different brands in order to maintain talent. By training people to leverage on their strengths and building them up to convert weaknesses to future strengths, PIZZA is able to set its people up for success.

Management also ensures that the entrepreneurial spirit is fostered across all brands, even among the newer additions to the company. Joey Alvero, Potato Corner Chief Operating Officer, shares that ultimately, promoting a pro-active workforce works towards the goal of WOW-ing the guest. Joey was one of the leaders who pioneered integrating Potato Corner into the PIZZA family. From carefully incorporating the culture to providing holistic and growth-oriented support, Joey strived to nourish entrepreneurship among old and new Potato Corner franchisees.

To ensure that we are always the top-of-mind choice for our guests, the WOW! Culture embodied by PIZZA's leaders and employees is also passed on to the entrepreneurs at the forefront of the business, our franchisees. Paula Bondoc is one of the many loyal and driven franchisees of PIZZA. With 11 Shakey's branches and 2 Potato Corner kiosks, Paula is always looking for opportunities to expand and grow with PIZZA. By supporting Paula and hundreds more of our franchisees with their success and growth, we are able to not only work towards the longevity of our company, but we are also able to contribute to nation-building.



CREATING OPPORTUNITIES FOR LOCAL COMMUNITIES

BY: RUBENRICO R. MARASIGAN
CHIEF HUMAN RESOURCES OFFICER

PIZZA always believes in providing employment opportunities to the communities where it conducts business in. It is its way of giving back to the community and nation building. Having said so, even before the pandemic, PIZZA started to embark on key inclusivity employment programs focused on the marginalized sectors of the society, namely, “Love ‘Em Down” and “Pay it Forward” programs focused on senior citizens and persons with disabilities.



LOVE ‘EM DOWN PROGRAM

In 2018, Shakey’s launched the Love ‘Em Down (LED) program in partnership with the Down Syndrome Association of the Philippines, Inc. (DSAPI) to provide an opportunity for their members to have an environment where they can work and showcase their talents. Added to this, this further creates a fun learning experience for their members. As many as 30 participants were deployed to various company-owned branches in the first two years of the program, but the program was halted due to the realities of the pandemic.



In September 2022, when the pandemic began to recede, we eagerly welcomed back the Love ‘Em Down participants and engaged them in many of our stores. As part of our guidelines to safeguard the wellbeing of our participants, we conduct orientation sessions for our concerned store teams through DSAPI and Shakey’s HR. Likewise, Shakey’s ensures that the participants were provided with training to equip them with the skills to perform their assigned tasks at the store.

One of the pioneers is Jeremy Lapeña, assigned to Shakey’s BF Aguirre store. He eagerly greets guests with a big smile, leads them to their table, and gives out the menu. On lean hours, he would fold napkins and delivery boxes. His mother, Ms. Agnes, would recall that Jeremy would look for napkins to fold at home during the lockdowns. Since working at Shakey’s, he has helped with daily chores at home and gets ready by himself ahead of his scheduled shift.

These people’s joyful and loving hearts make them exceptional, and we are grateful that more people can see that now through the program. It is our advocacy and hope that other companies would also open their doors to provide opportunities for them as well. Our group commits to expand the program in more stores and in other brands in PIZZA.

IT IS OUR ADVOCACY AND HOPE THAT OTHER COMPANIES WOULD ALSO OPEN THEIR DOORS TO PROVIDE OPPORTUNITIES FOR THEM AS WELL



SENIOR CITIZENS & PERSONS WITH DISABILITY

Another key initiative on inclusivity is focused on senior citizens and PWDs. As a start, we are in partnership with the Public Employment Service Office (PESO) of the City of Manila, but other PESO from other 6 LGUs are now being finalized so we can deploy as well in our stores in their localities. Many elderly and PWDs (persons with disabilities) have the capability and desire to still take an active part in our society but are sadly overlooked based on usual standards. With the mobility restrictions easing up and a significant majority of our population vaccinated, the partnership to deploy one senior citizen and one PWD was sealed with the City of Manila last August 2022 (MOA signing). Thereafter,

senior citizens and persons with disabilities were deployed in all Shakey’s Manila stores.

In 2023, PIZZA will increase its commitment to our Love ‘Em Down Participants by increasing it by five-fold. We will expand our partnership with PESO as well in other major cities and launch the program to Peri-Peri Charcoal Chicken. This is in line with our Corporate Mission on committing to sustainable development by engaging in social and environmental causes that will promote quality of life as our legacy to future generations.



[WE ARE] VERY THANKFUL TO SHAKEY’S FOR THIS LIFE CHANGING OPPORTUNITY, FOR GIVING JOBS TO OUR SENIOR CITIZENS AND PWDs. IT IS A BIG HELP FOR THEM FINANCIALLY AND EMOTIONALLY; THEY FELT THAT THEY HAVE A PURPOSE AND CAN BE A PRODUCTIVE MEMBER OF SOCIETY.

MR. JESI JAMES POSADAS, PESO INTERPRETER

HEAR IT FROM OUR GUESTS

SHAKEY'S

My friends and I celebrated my [birthday] at your store. We ordered the Super Bunch of Lunch, which is a complete meal affordable to everyone. caesar salad was served fresh, flavorful, and crisp. The staff was very accommodating even though there were a ton of customers. The Supercard had the best value for money because of the free pizza and 15% discount we got.

C., SHAKEY'S SM PAMPANGA GUEST

POTATO CORNER

Ever since high school, I have liked eating Potato Corner, especially when studying and when buying big sizes for the barkada. Barbeque is our favorite - it really is the best. I still get Potato Corner every snack time, now that I'm working. There's a store nearby.

G., POTATO CORNER GUEST

PERI-PERI

This cozy restaurant has left the best impression! Hospitable hosts, delicious dishes, beautiful presentation, and wonderful dessert. I recommend it to everyone! I would like to come back here again and again.

I., PERI PERI LAS PIÑAS GUEST

The food is superb, with ample servings, and very affordable. The staff is very courteous, polite, and quick. Will surely dine in again.

VHIE, PERI PERI VENICE GUEST

The easiest way to have your order on time. An excellent food choice for dine-in or home delivery with their super tasty pizzas and crispy chicken. Everybody loves Shakey's.

A., SHAKEY'S
SUPER APP GUEST

I'm always happy and satisfied with Potato Corner. It's worth the wait because the fries are fresh and crispy, prepared neatly by the attendant. I highly recommend it all the time. [Nothing can beat Potato Corner!]

MC, POTATO CORNER
KAPASIGAN GUEST

The brown sugar milktea is super delicious. We had two orders in one sitting haha! It tastes like taho and milktea in one. It has become my favorite, and it gives off good vibes.

J., R&B GUEST

The TNT Booster tastes amazing and refreshing! Good customer service too.

K., R&B GUEST

2022 AT A GLANCE



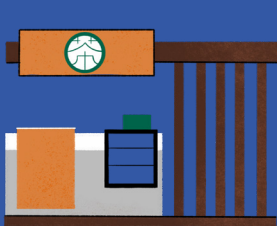
268

SHAKEY'S
STORES



68

PERI-PERI
STORES



11

EMERGING
BRANDS STORES
AND KIOSKS



1,425

POTATO CORNER
KIOSKS



11.9M

PIZZAS SOLD



5.1M

KG OF CHICKEN
SOLD



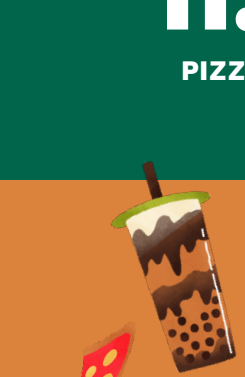
838K

CUPS OF TEA
SOLD



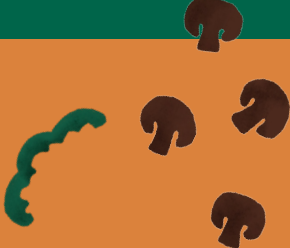
23M

CUPS OF FRIES
SOLD



1,553

TOTAL STORES AND KIOSKS
IN THE PHILIPPINES



219

INTERNATIONAL STORES
AND KIOSKS

₱14.1B

IN SYSTEMWIDE
SALES

₱10.1B

IN REVENUES

ECONOMIC VALUE WE CREATE

201-1

In 2022, we were able to generate a total of Php 10.2 billion in economic value, increasing by 83% from the year before, attributable to the growth in our systemwide sales.

73% PAYMENT TO SUPPLIERS AND OTHER OPERATING EXPENSES

Procurement, production, and other operating costs comprised most of our economic value distribution at 73%.

12% PAYMENT TO OUR PEOPLE

Employee salaries, wages, and benefits amounted to Php 1.3 billion in 2022, which is 12% of our total economic value.

3% PAYMENT TO PROVIDERS OF CAPITAL

Total dividends paid and finance costs amounted to Php 272 million or 3% of the economic value generated.

2% PAYMENTS TO GOVERNMENT

Taxes paid to the government comprised 2% of the economic value generated, amounting to Php 171 million.

10% ECONOMIC VALUE RETAINED

Of the Php 10.2 billion economic value that we generated this year, Php 1.1 billion is retained by the company.



OUR BUSINESS PRESENCE

2-1



56%

OF SYSTEMWIDE SALES*

**Systemwide sales excluding Potato Corner*

DINE-IN

We aim to provide a unique family and friends experience by always WOW-ing the guest, not just with our iconic products but also through our beautiful, distinct, and safe store environment.

1,772

STORES AND KIOSKS

STORE EXPANSION

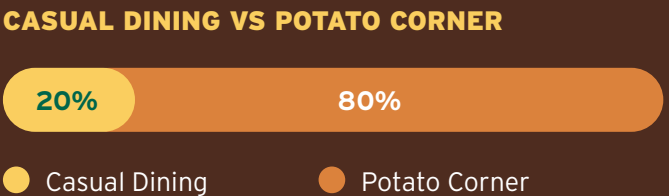
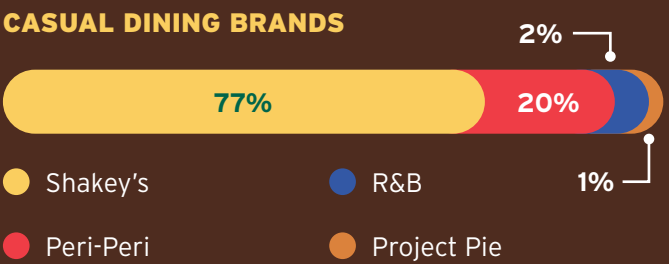
Store expansion is critical for us to increase our brand reach and widen our footprint, purposefully investing in our brands and our stores. For our casual dining brands, we increased our store network by 31 stores, ending the year with 347 stores across four brands. In addition, our acquisition of Potato Corner also vastly broadened our reach, with over 1,000 kiosks added to our network during its acquisition in March. We continued to grow the brand over the year, reaching 1,425 kiosks by year-end. This brings our store network total to 1,772 stores and kiosks in 2022.



SYSTEMWIDE STORE NETWORK

BY BRAND

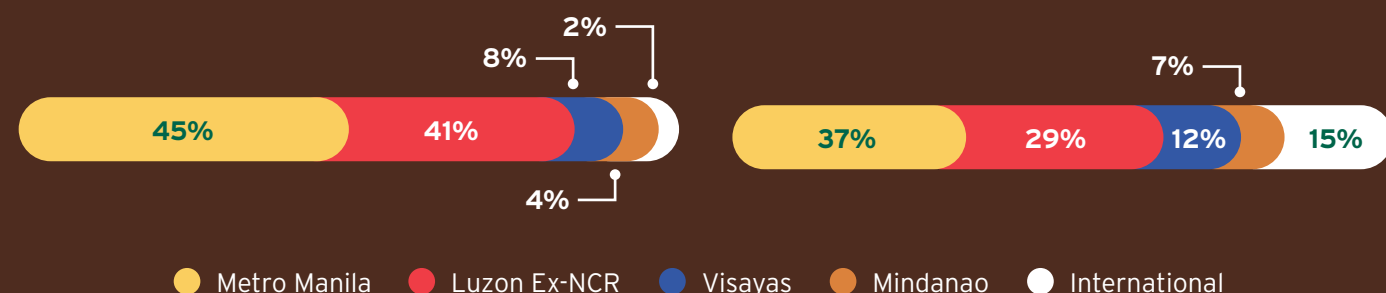
As we continue to grow the Shakey's brand throughout the country, we now also have the Peri-Peri brand to leverage on via accelerated expansion. In addition, Potato Corner is proving to be a new growth pillar for the company, providing opportunities to expand both locally and internationally. Along with our brands R&B Tea and Project Pie, PIZZA is in a position ready for long-term growth.



BY LOCATION

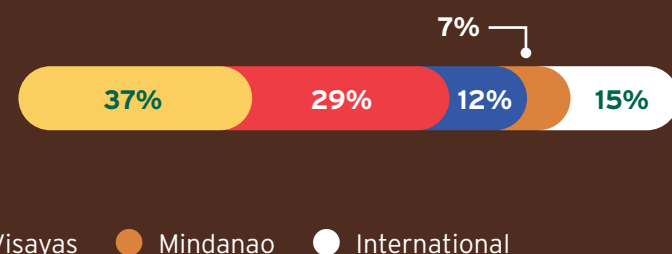
CASUAL DINING BRANDS

Almost half of our casual dining brands' stores are still located in the National Capital Region (NCR), with our Luzon presence reaching close to our NCR network. We recognize the opportunities in the other parts of Luzon, Visayas, and Mindanao, and continue to pursue underpenetrated second-tier cities in these regions.



POTATO CORNER

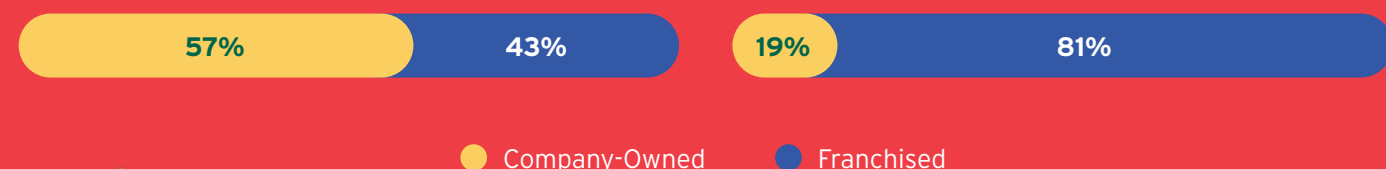
Similarly, majority of our Potato Corner stores are located in the NCR, with opportunities to expand throughout the rest of the country. In addition, the brand has a strong international presence, with 15% of its store network located outside of the Philippines.



BY OWNERSHIP

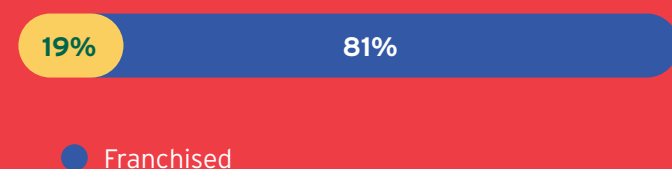
CASUAL DINING BRANDS

At present, most of our casual dining brands' stores are company-owned. As we expand further in provincial locations, our ownership mix skews toward franchised stores as we believe local operators are able to provide better on-the-ground execution in those areas. We work closely with our franchisees to ensure consistency throughout our store network.



POTATO CORNER

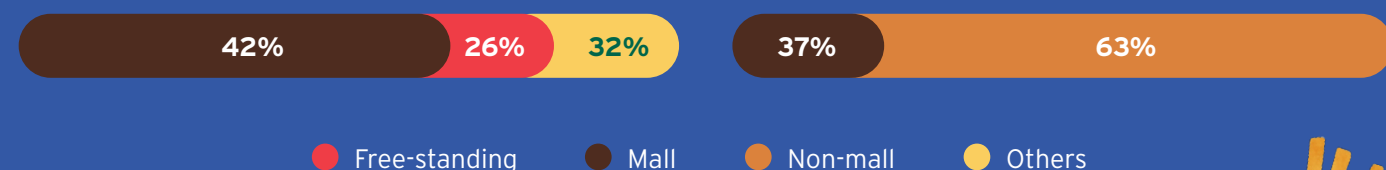
On the other hand, Potato Corner is a predominantly franchising business, with over 80% of the stores owned by our franchisee partners. Our franchisees have been instrumental to growing the Potato Corner network to where it is now, and the brand will continue to be a platform to support micro- and small entrepreneurs worldwide.



BY FORMAT

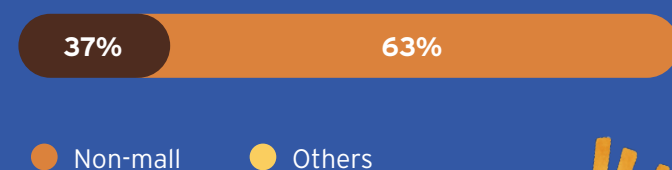
CASUAL DINING BRANDS

Our multiple store formats for our casual dining brands allow for market and expansion flexibility. These also provide convenience and accessibility to our guests.



POTATO CORNER

As for Potato Corner, while a significant number of kiosks are located in malls, most of the outlets can be found in other locations, making snacking easily within the reach of our guests.



DELIVERY & CARRY-OUT

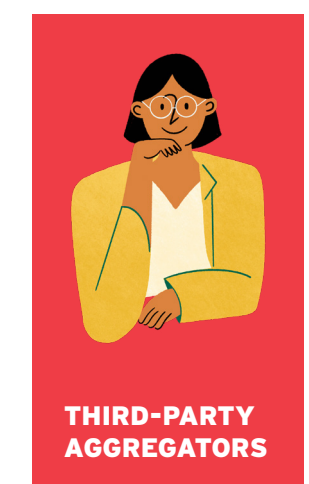
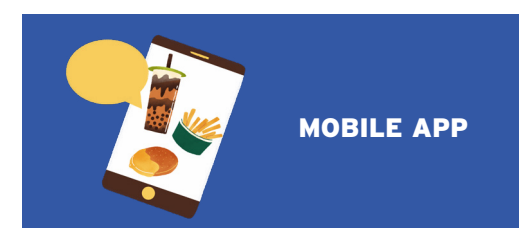
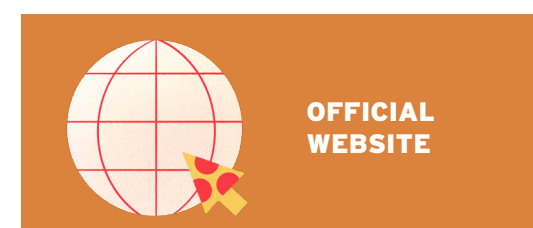
Guests can also enjoy our products via our off-premise channels. These serve as a steady stream of revenue given the rising need for convenience especially within Metro Manila and the want for more value offerings and services. In addition, these allow guests who are more health and safety-conscious to enjoy our offerings within the comforts of their own homes. We have been investing heavily in these channels and expect them to be a major growth driver moving forward.



*Systemwide sales excluding Potato Corner

DELIVERY

With a quick phone call or click of a button, guests can have our products brought to them through our delivery service. We continue to invest in our digital and IT capabilities to solidify our position in this space.



CARRY-OUT

If in a rush, guests who are near our stores can drop by and grab a bite to-go.



OTHERS

SUPERCARD CLASSIC AND GOLD

We have expanded the perks and privileges of all SuperCard owners by including benefits from the Peri brand through SuperCard Classic and Gold. We are able to promote our popular paid loyalty card as a must-have by ensuring we continue to provide value to our guests.



2022 MILESTONES

JANUARY



COVID-19 VACCINE BOOSTER PROGRAM

Rolled out the company-wide COVID-19 vaccine booster program for all employees



POTATO CORNER ACQUISITION

Acquired the undisputed leader in kiosk-based flavored fries, Potato Corner, and began operating the business

SHAKEY'S SINGAPORE

Opened a new outlet in Lucky Plaza, Singapore

PERI-PERI'S 1ST FLY-THRU STORE

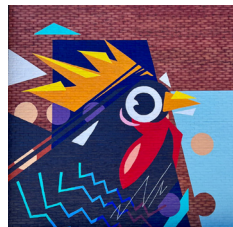
Opened the first drive-through outlet in Vermosa, Cavite



MARCH



JUNE



PERI-PERI'S ART INITIATIVE

Launched Peri Paints, a collaboration with local artists to develop specially commissioned pieces featured at Peri-Peri stores



SHAKEY'S GREEN MENU

Rolled out healthy green and plant-based menus across our roster of brands

JULY



SEPTEMBER - OCTOBER

POTATO CORNER SOUTHEAST ASIA

Expanded the store network footprint in Thailand, Singapore, and Cambodia. Opened the 14th company owned store in Singapore

PERI-PERI 60TH STORE

Opened milestone 60th store in Malate, Manila



SEPTEMBER

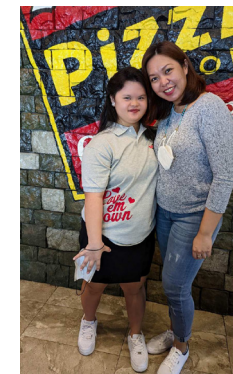


THE RETURN OF LOVE 'EM DOWN

Reintroduced the hiring program for individuals with Down-Syndrome

SENIOR CITIZEN AND PWD HIRING

Launched a hiring program for Senior Citizens and members of the deaf community for all company-owned Manila outlets



NOVEMBER

2022 ASIA CORPORATE EXCELLENCE AND SUSTAINABILITY AWARDS

Recognized as one of the Best Performing Companies in Asia at the 2022 ACES Awards



DECEMBER



POTATO CORNER 30TH ANNIVERSARY CELEBRATION

Commemorated Potato Corners' 30th Anniversary at the 2022 Franchise Convention & Thanksgiving Celebration. Launched the Franchisee Loan Program in partnership with Robinsons Bank

POTATO CORNER LONDON & DUBAI

Opened first outlets in Europe and United Arab Emirates

POTATO CORNER 1,400TH STORE

Opened milestone 1,400th outlet in Zarraga, Iloilo

FINANCIAL HIGHLIGHTS



FOR THE 12 MONTHS ENDED 31 DECEMBER (IN PHP MILLION)

2022 2021 % CHANGE

Profit and Loss Statement

Systemwide Sales	14,087	7,011	101%
Net Sales	10,142	5,480	85%
EBITDA (Reported)	2,059	1,021	102%
Net Income (Reported)	874	123	611%

Balance Sheet

Cash	990	485	104%
Total Assets	17,708	12,635	40%
Interest-Bearing Debt	5,791	3,741	55%
Total Liabilities	10,663	6,454	65%
Total Equity	7,046	6,181	14%

Cash Flows

Operating Cash Flows	1,618	986	64%
Capital Expenditures	710	280	154%
Free Cash Flows	908	706	29%
Net Change in Cash	504	-122	-512%

Ratios

Return on Equity	13.2%	2.2%	+11.0 pps
Net Gearing Ratio	0.7x	0.5x	+0.2x
Net Interest-Bearing Debt-to-EBITDA Ratio	2.3x	3.2x	-0.9x

101%
SYSTEMWIDE
SALES GROWTH
VS 2021

20%
EBITDA MARGIN

0.7x
NET GEARING



P&L HIGHLIGHTS IN PHP MILLION

	2018	2019	2020	2021	2022
Systemwide Sales	9,361	10,384	6,622	7,011	14,087
Revenues	7,579	8,239	5,297	5,480	10,142
EBITDA	1,500	1,971	459	1,021	2,059
Margin	19.8%	23.9%	8.7%	18.6%	20.3%
Change YoY (2021-2022)					+1.7 pps
Net Income	841	865	-254	123	874
Margin	11.1%	10.5%	-4.8%	2.2%	8.6%
Change YoY (2020-2021)					+6.4 pps

CASH FLOW HIGHLIGHTS IN PHP MILLION

Operating Cash Flow	921	1,704	348	986	1,618
Capital Expenditure	434	417	167	280	710
Free Cash Flow	487	1,287	181	706	908
Cash Conversion Cycle (in days)	3	1	9	2	-14

CASH FLOW HIGHLIGHTS IN PHP MILLION

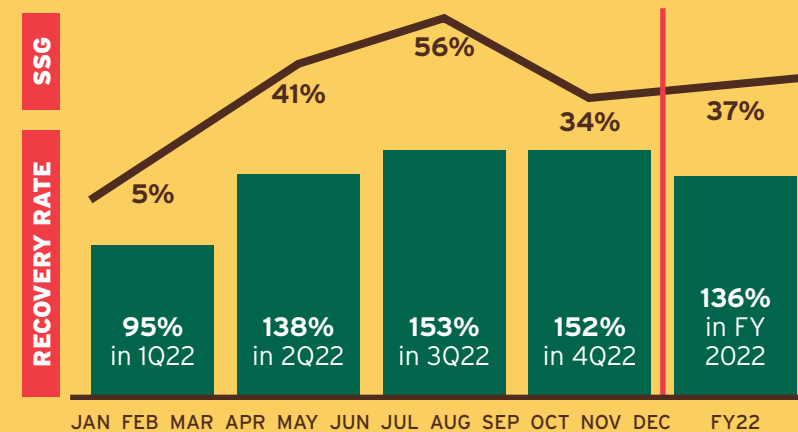
Return on Equity	20%	18%	-5%	2%	13%
Net Gearing Ratio	0.8x	0.8x	0.9x	0.5x	0.7x
Net Interest-Bearing Debt-to-EBITDA Ratio	2.3x	2.0x	9.2x	3.2x	2.3x
Total Assets	PHP9,633M	PHP12,333M	PHP12,220M	PHP12,635M	PHP17,708M



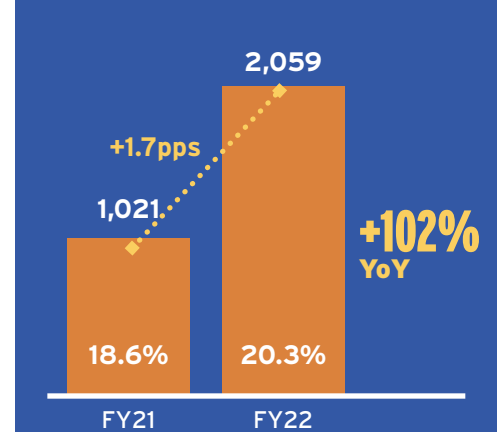
MEASURING OUR FINANCIAL PERFORMANCE



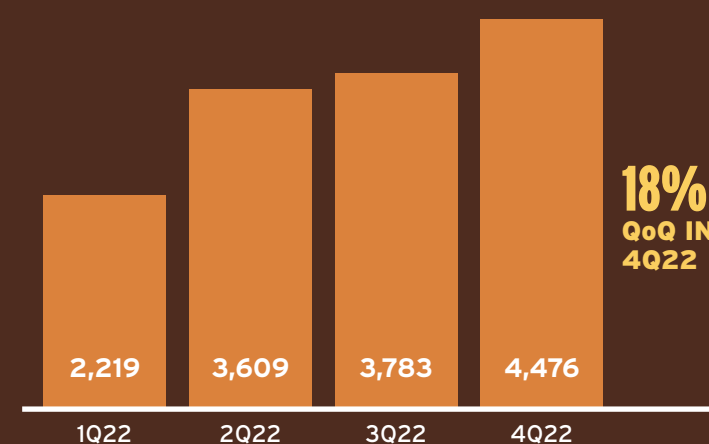
QUARTERLY SYSTEM-WIDE SALES RECOVERY & SSSG



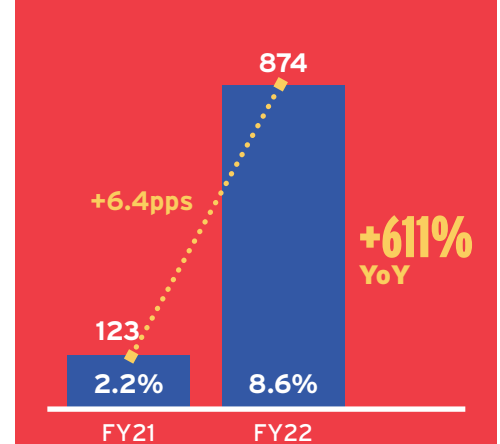
EBITDA & EBITDA MARGIN



SYSTEMWIDE SALES QoQ TREND



NET INCOME & NET MARGIN



Systemwide sales, the combined sales of both company-owned and franchised stores, totaled Php 14.1 billion for full-year 2022, effectively double that of the previous year. The significant growth in systemwide sales can be attributed to a few factors. One factor is the comeback of dine-in, with the resurgence starting in the latter part of the first quarter. We saw higher foot traffic due to the reopening, which continued to increase in the latter half of the year when schools reopened. Another factor is the seasonal boost during the fourth quarter of the year. Demand further improved by year-end as we entered the holiday season and experienced a lift from the festivities. Lastly, there was an additional boost from the consolidation of Potato Corner results starting in March. All-in-all, these led to 2022 systemwide sales surpassing 2019 pre-pandemic levels by 36%.

Looking at our profitability, our EBITDA grew in lockstep with topline, registering at 2.1B and registering a margin of 20.3%. Aside from the operating leverage impact of fixed costs, the increase in EBITDA and the improvement in margins were driven by operating efficiencies pursued and realized, prudent cost management, as well as the addition of the asset-light operations of Potato Corner into the mix.

These improvements trickled down to net income, which reached 874 million, 7 times higher versus 2021 and exceeding pre-pandemic levels for the first time. As we move forward from 2022, where finally we've been able to breach pre-pandemic levels, we expect to accelerate our growth for the next 3 years. With the plans we have in place for our roster of WOW! Brands, we are excited to pursue a new and stronger double-digit growth run for PIZZA.

SUSTAINABILITY FOCUS AMIDST THE PANDEMIC



OUR SUSTAINABILITY COMMITMENT AND FOCUS

OUR COMMITMENT

2-11

2-22

PIZZA recognizes that growing our stores and our guests must be coupled with growing responsibly. We can only achieve our vision to become the country's most preferred and dominant casual dining and food service player through our commitment to being a sustainable, inclusive, and ethical company.

Sustainability guides the way we do business - with how we WOW our guests, employees, business partners, shareholders, and communities and how we optimize our resource management and supply chain to mitigate our negative impacts on the environment and society. Our mission to be a leading casual dining restaurant in sustainability is championed from the top with our Board of Directors and senior leadership team all the way to the staff on the restaurant floors.



We have embraced sustainability and have integrated it into our mission. Our People programs involve the development of our human capital. For Planet, we will optimize our plastic, water, and energy footprints whilst balancing our need to stay competitive and remain good stewards of capital. On Pizza, or the food we serve our guests, we will be an innovator—looking to increase healthier, planet-friendly, and WOW-ing menu items for both our brands.

CHRISTOPHER T. PO
CHAIRMAN

Above the short-term financial metrics of sales and profit lies the more important long-term strategic health of the brand and the business. There is a lot of work ahead; but with our commitment to this end, we believe we will soon make meaningful contributions.

VICENTE L. GREGORIO
PRESIDENT & CEO



MATERIALITY PROCESS

3-1



At PIZZA, our material topics are the foundation of our sustainability framework, reporting disclosures, and targets. Hence, we made sure that the identification process of material topics was inclusive and holistic.

Last 2018, key internal and external stakeholders - from our middle management, senior leadership, Board of Directors to our investors and key business partners such as suppliers, distributors, and customers - were engaged to gather their expectations and views on the risks, opportunities, and priorities for the sustainability of the organization. These engagements enabled us to identify the sustainability issues that were most important to both our stakeholders and our business.

We then prioritized our material topics and developed a framework to focus our impacts on the business, our stakeholders, and the planet. We mapped out preliminary metrics and strategies to monitor our performance against the material topics. We continue to assess the concerns of our key stakeholders to ensure that our material topics are still relevant and that our decisions fairly serve their interests (see section on **How We Engage**). Our Board-level Corporate Governance and Sustainability Committee and Sustainability Steering Committee regularly review risks, opportunities, and developments in sustainability to ensure our material topics adapt to the evolving landscape.

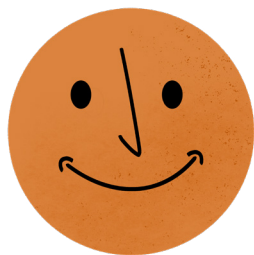


SUSTAINABILITY FRAMEWORK

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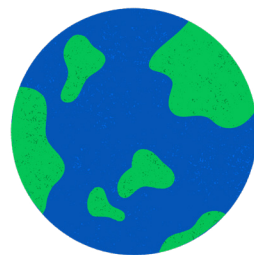
Our Sustainability Framework, which outlines our main pillars of People, Planet, and Pizza, concentrates our positive impact and addresses sustainability issues that are most relevant to our business and our stakeholders.

3 PILLARS



PEOPLE

Human and social capital remain crucial to our business. We highly value our employees, guests, and the communities that we work with.



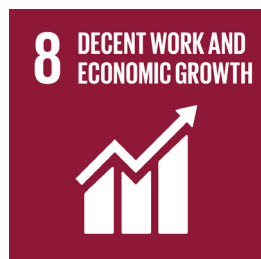
PLANET

Our use of resources and its consequential impacts are diligently monitored to enable us to carefully manage the inputs on which our business relies.



PIZZA

Our products remain at the heart of our operations. Our processes ensure that they are safe and of high quality. At the same time, we are constantly looking for new ways to WOW both our guests and our planet through innovation and responsible sourcing.



FOCUS AREAS AND MATERIAL TOPICS

PEOPLE

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 Acquisition and Management

We regard our employees as our partners. We invest considerably in promoting their professional and personal growth which in turn helps grow the business.

Employee Engagement

We continuously engage with our employees through open communication, grievance mechanisms, providing competitive benefits to ensure they are dedicated to their jobs and committed to the organization.

Workplace Culture and Environment

Our employees are consistently able to WOW guests as we cultivate an inclusive culture and ensure a safe and healthy working environment.

GUESTS



External Guest Engagement

Feedback from our guests, on every aspect of our business, are highly valued and acted upon accordingly.

COMMUNITIES



Job Creation and Livelihood Support

Our growth around the country generates jobs for local communities. We engage in community development and aim to create sustainable social impact.

PLANET



NATURAL RESOURCE EFFICIENCY

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

Energy Consumption Reduction Water 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.

Net Zero Plastic Waste

We are committed to achieving Net Zero Plastic Waste across all our brands.

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.

PIZZA	
BUSINESS ALIGNMENT  	Product Development & Innovation We continue to provide value to our guests with our diversified menu, keeping both old and new guests excited. Food Quality & Safety Product quality, that also focuses on guest welfare, is a business aspect accounted for in all parts of our operations.
INDUSTRY PIONEER  	Healthier Products As we continue to diversify our offerings, we aim to introduce menu items with healthier nutrition profiles. Nutritional Transparency We intend to disclose nutrition profiles of menu items for transparency.
GOOD GOVERNANCE	
	The Company recognizes the importance of good governance. It underpins our ability to progress in our sustainability journey and create long-term value for shareholders. This applies across our entire value chain, ensuring the organization behaves ethically, complies with rules and regulations, and adheres to fair labor practices and fulfills all other economic, moral, legal, and social obligations towards our stakeholders.

GOVERNING AND OPERATIONALIZING SUSTAINABILITY

2-12 2-13 2-14

PIZZA ensures that effective governance is in place to deliver on our sustainability commitments achieved through various programs.

The Board-level Corporate Governance and Sustainability Committee oversees the implementation of our sustainability framework and periodically reviews sustainability risks and opportunities. This is chaired by a Non-Executive Independent Director, ensuring an independent and objective view of business-critical issues in sustainability. The committee receives updates on overall progress on sustainability and corporate governance semi-annually and advises the Sustainability Steering Committee accordingly. With the rest of the Board, the committee also acts as gatekeeper for sustainability disclosures. See **Committees of the Board of Directors** and **Roles and Responsibilities of the Board of Directors** sections for more information.

Composed of senior executives of key functions and business units and spearheaded by our Chairman and CEO, our Management Sustainability Steering Committee is responsible for driving and embedding sustainability in every aspect of the business. Respective subcommittees manage, develop, and implement goals and action plans for each P of our framework (People, Planet, Pizza) with the Core Sustainability Steering Committee leading the overall direction and ensuring continuous improvement in responsible business practices.

Each Sustainability Steering subcommittee holds quarterly meetings with the Executive Chairman and CEO for each P of the framework to check on the status of ongoing initiatives and discuss opportunities and next steps to further the sustainability framework. The Investor Relations Department acts as secretariat to the meetings and ensures that this governance structure is organized and operating properly.

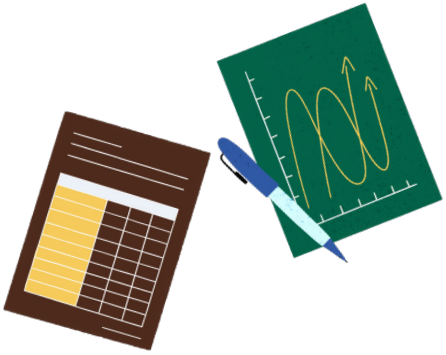
CORPORATE GOVERNANCE & SUSTAINABILITY COMMITTEE	STEERING COMMITTEE
CHAIRMAN	CORE
PAULO CAMPOS INDEPENDENT DIRECTOR Co-founder and Chief executive Officer of Zalora Philippines	CHRISTOPHER PO Chairman RICARDO PO, JR. Vice Chairman VICENTE GREGORIO President & CEO JEAN LAPA Executive Development Consultant JENNIFER TAN Group Procurement Director MYROSE VICTOR Head of Investor Relations JENIFER SAN JUAN-TECSON Investor Relations
MEMBERS	PEOPLE
FERNAN LUKBAN INDEPENDENT DIRECTOR Highly regarded consultant in family business, strategy, entrepreneurship, and good governance; founding fellow of the institute of Corporate Directors FRANCES YU INDEPENDENT DIRECTOR Retail strategist and market research practitioner, Founder of FJY Consulting, Inc., and former VP of Rustan's supermarket	JORGE CONCEPCION Shakey's GM MARIELLE SANTOS Peri-Peri GM RUBENRICO MARASIGAN Chief HR Officer
	PLANET
	GRACE REQUINALA Systems Manager SEVERINO MANOTOK Technical Services Director KATHRINA DAVID Supply Chain Management Head
	PIZZA
	GALE ROQUE Research & Development Manager

At PIZZA, we believe that sustainability is everybody's job. For our sustainability agenda to affect and scale long-term impact, they need to be operationalized and embedded in the way we do business. Thus, PIZZA decentralizes and integrates responsibility to the key leaders of our business units, who in turn embolden and involve their teams. In this way, both business and sustainability decisions are made in conjunction.

CREATING IMPACT ACROSS OUR BUSINESS

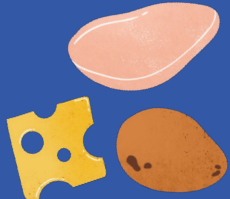
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Our sustainability strategy is anchored on the environmental, social, and economic impacts of our various business activities along our value chain. We have mapped out the sustainability issues most important to PIZZA against our value chain to help us manage our risks and negative impacts and identify opportunities to scale our positive impact and create greater value for our stakeholders.



RESEARCH & DEVELOPMENT

Formulating and testing of food products and non-food materials



SOURCING

Procurement, storage, and distribution of food and non-food materials



STORE OPERATIONS

Preparation of food products and services, including the management and maintenance of store logistics and facilities



BUSINESS SEGMENTS

Offering of products and services through dine-in, delivery, carry-out, functions, and the SuperCard



GUEST ENGAGEMENT

Marketing and feedback mechanisms conducted for guests



IMPACT CREATION

	RESEARCH & DEVELOPMENT	SOURCING	STORE OPERATIONS	BUSINESS SEGMENTS	GUEST ENGAGEMENT
PEOPLE	Diversity & Inclusion				
	Talent & Acquisition Management				
	Employee Engagement				
	Workplace Culture & Environment				
				External Guest Engagement	
			Job Creation		
			Livelihood Support		
PLANET			Diversity & Inclusion		
	Environmental Impact Management				
	Supply Chain Engagement				
PIZZA	Product Development & Innovation				
	Food Safety & Quality				
	Healthier Products				
	Nutritional Transparency		Nutritional Transparency		
GOOD GOVERNANCE	Business Ethics & Compliance				
	Labor Practices				






HOW WE ENGAGE

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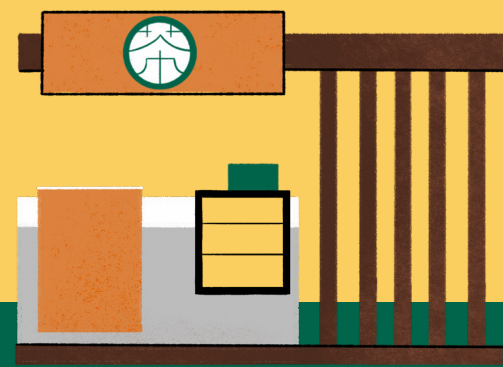
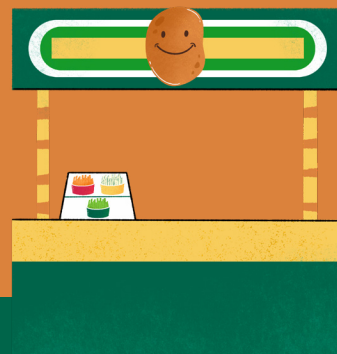
CHANNELS OF ENGAGEMENT	CONCERNS	HOW WE ADDRESS THEM
EMPLOYEES		
<ul style="list-style-type: none"> Town hall meetings Performance appraisals Training and development programs Informal training and mentorship Email blasts and social media Team building activities Collective Bargaining Agreement 	<ul style="list-style-type: none"> Career growth and development Employee salaries and benefits Growing organization 	<ul style="list-style-type: none"> Training and mentorship programs Proper compensation and benefits and voluntary store reassignment programs Organizational review and manpower planning 
GUESTS		
<ul style="list-style-type: none"> Store service In-store feedback mechanism Guest feedback channels (Email, SMS, Website, App) Social media channels - Facebook, Twitter, Instagram, Viber 	<ul style="list-style-type: none"> Quality of service in both dine-in and delivery channels Food quality and safety Safe eating environment Delivery app performance Availability of major products 	<ul style="list-style-type: none"> QSCH standards and audit processes Proficiency Test for Managers and training of store personnel RM Assembly, Specialists Assembly to address Guest Related issues, Best Practices sharing Implementation of health and safety protocols Guest recovery protocols and IT support Transparent communications and new product innovations in lieu of out of stock products 
COMMUNITIES		
<ul style="list-style-type: none"> Consultation sessions prior to store opening Community and advocacy events 	<ul style="list-style-type: none"> Quality of service Hiring opportunities Corporate social responsibility 	<ul style="list-style-type: none"> Partnership with the Down Syndrome Association of the Philippines, Inc. to provide job opportunities for individuals with Down Syndrome Partnership with the City of Manila to provide job opportunities for senior citizens and persons with disabilities 

CHANNELS OF ENGAGEMENT	CONCERNS	HOW WE ADDRESS THEM
SUPPLIERS		
<ul style="list-style-type: none"> Communication lines (phone, email, meetings) Supplier accreditation process Supplier negotiations and bidding Order placement and PO issuance 	<ul style="list-style-type: none"> Issues with bidding and procurement Scheduling and logistical concerns Minimum accreditation requirements and schedule Inflationary pressures 	<ul style="list-style-type: none"> Regular engagement with suppliers Supplier orientation process on Company policies and commitments 
GOVERNMENT		
<ul style="list-style-type: none"> Annual audits, reports, and publications Press releases 	<ul style="list-style-type: none"> Compliance with laws and regulations Opportunities and areas for public and private sector collaboration Completeness and accuracy of reports Transparency and accountability 	<ul style="list-style-type: none"> 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, as needed Attendance and participation to government-sponsored learning sessions and compliance programs
INVESTORS & SHAREHOLDERS		
<ul style="list-style-type: none"> Investor touch points (meetings, conferences, commissary visits, email, phone) Press releases 	<ul style="list-style-type: none"> Business viability and growth Financial outlook and disclosures Business risks and opportunities Sustainability and ESG 	<ul style="list-style-type: none"> Facilitating effective two-way communication between the Company and financial community Transparency and accountability with regard to the company's strategic plans Regular engagements through different touch points with investors and shareholders
MEDIA		
<ul style="list-style-type: none"> Press briefings and conferences TV and radio advertisements 	<ul style="list-style-type: none"> Proper representation and labeling Marketing practices 	<ul style="list-style-type: none"> Regular consultations Branding and marketing guidebook

ABOUT THIS CHAPTER

2-2

2-3



This section of the report discloses PIZZA's social and environmental activities from January to December 2022 in alignment with our financial year. All data points and information disclosed under each sustainability focus area are aggregated to cover all businesses under PIZZA - Shakey's Pizza, Peri-Peri, Project Pie, R&B, and our latest acquisition, Potato Corner. This includes all our company-owned stores, warehouses, and corporate support offices operating in the Philippines. As for our franchisees, both local and global, disclosures will indicate if these are covered. Note that our company-owned international stores, which account for only 1% of our sales and store network, are excluded from this sustainability chapter. We will continue to improve our data collection systems to further improve the accuracy, depth, completeness, and comparability of our disclosures.

PIZZA has prepared its sustainability disclosures with reference to the latest 2021 GRI Standards. Although these standards have only taken effect in 2023, the Company is pleased to have been an early adopter since last year for our 2021 report as part of our ongoing commitment to inspire our stakeholders to contribute to sustainable development by sharing not only our progress and opportunities, but also our challenges and learnings.

For questions or feedback regarding the sustainability initiatives, programs, and plans communicated in this chapter, please contact PIZZA Investor Relations at investorrelations@shakeys.biz.



PEOPLE

EMPLOYEES

DIVERSITY AND INCLUSION

3-3

2-7

2-8

405-1

PIZZA is committed to building a talent pool that puts a premium on a variety of skills and potential, does not discriminate based on ethnicity, religion, or gender, and supports the different communities where our stores operate through local hiring. We believe a diverse and inclusive organization is critical for business growth, innovation, and longevity.

Diversity and inclusion must be reflected from the very top - a diverse set of Board of Directors is vital to drive continuous growth and achieve strategic objectives. Our **Board Charter** states our Board Diversity Policy and commitment.

Guided by our policies, our Human Resources Department cultivates an inclusive workplace where all employees, with their multifaceted backgrounds, thoughts, and experiences, are valued and invited to contribute to our growth and success. Though our middle managers and front line leaders have a fair gender split, the gender distribution is still skewed towards males at the executive and senior management level. Moving forward, we will continue to empower women and represent diverse backgrounds in our leadership composition to strengthen our competitive advantage and capacity to innovate. Across our organization, we aim to better promote and practice diversity and inclusion across our business.



1,724 TOTAL EMPLOYEES IN 2022

PIZZA defines employees as full-time employees only, from rank-and-file at the restaurant floor to executive leaders. This represents the total number of employees by the end of 2022.

3,759 TOTAL WORKERS IN 2022

Including outsourced personnel, our workforce in 2022 amounted to 5,483. Outsourced personnel are vital to our operations as they comprise all our store riders, store members, participants from our inclusive hiring programs, cluster maintenance technicians, and utilities.



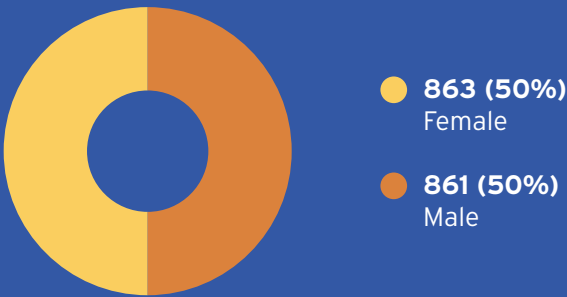
PIZZA's President and Chief Executive Officer, Vicente Gregorio, believes that businesses have a role to play in breaking cycles of inequity. PIZZA took a stance with **inclusive hiring programs**—providing job opportunities to senior citizens and persons-with-disabilities at our Shakey's teams. Learn more about our partnerships with the Public Employment Service Office (PESO) of Manila with our Senior Citizen and PWD Hiring Program and the Down Syndrome Association of the Philippines with our Love 'Em Down program to help remove barriers to dignified employment and promote meaningful engagement with our employees and guests in the **Investing in Our People: Creating Opportunities for Local Communities** section of this report.

Every one of our company-owned Shakey's stores in Manila City hired 1 senior citizen and 1 person-with-disability in 2022.

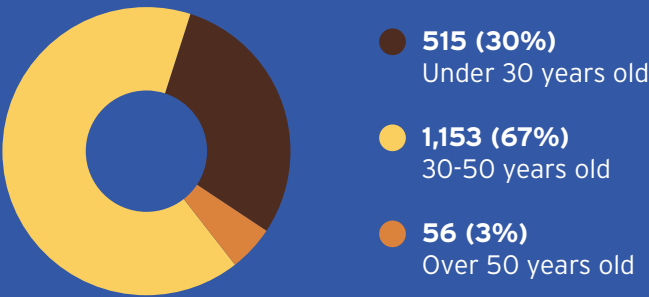
Shakey's has welcomed 7 individuals with Down Syndrome to their teams in 2022.

2022 EMPLOYEE BREAKDOWN

BY GENDER

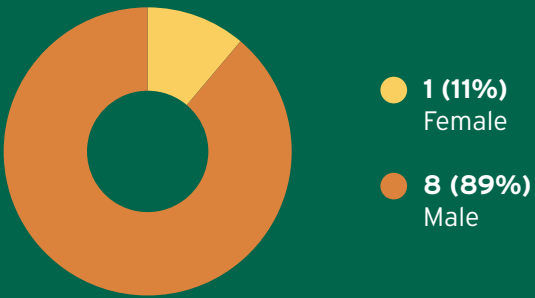


BY AGE

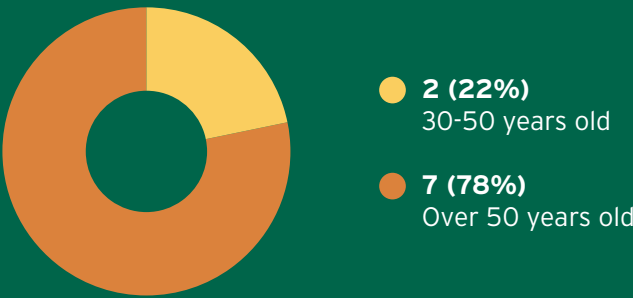


2022 BOARD OF DIRECTORS BREAKDOWN

BY GENDER



BY AGE



TALENT ACQUISITION AND MANAGEMENT

- 3-3
- 401-1
- 404-1
- 404-2
- 404-3

At PIZZA, we believe that a strong talent acquisition and management program allows us to create a culture of high performance and productivity, maintain a highly motivated workforce that is diverse and inclusive, and delivers our seamless guest-centric service.

NEW EMPLOYEE HIRE RATE

20% (50% FEMALE : 50% MALE)

This means that one-fifth of our total employee base at the end of the reporting new year were newly hired employees.

TURNOVER RATE

19% (48% FEMALE : 52% MALE)

The turnover rate refers to the percentage of employees who have left the Company out of total employees at the end of the reporting year.



TRAINING AND DEVELOPMENT

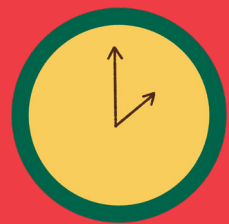
At the helm of driving our people's growth is our Human Resources Division. Guided by our Training and Development policy, our HR teams work with our Department Heads to develop and deliver effective learning programs that build competencies, address performance gaps, adapt to business developments, and prepare high-potential employees as part of succession planning.

SHAKEY'S COMPANY WIDE TRAINING PROGRAMS AND COURSES	
TRAINING PROGRAMS	DESCRIPTION
Comprehensive Onboarding Program	Onboarding program for newly hired employees that covers company orientation and philosophies, product knowledge, guest service, duties and responsibilities, safety and security guide-lines, and cashiering
Management Development Program	Develops Manager Trainees in restaurant operations
Restaurant Train the Trainer Workshop	Transforms employees both at the restaurant operations and Corporate Support Office (CSO) into credible and effective trainers who can cascade company goals, philosophies, means, and standards to employees
New Store Opening Training	Equips core teams of opening stores with technical capabilities required for store operations
Restaurant Staff Development Program	Trains restaurant staff in the technical and leadership competencies necessary for Shift Management positions through leadership training, certification, and dual specialization sessions
TRAINING COURSES	DESCRIPTION
Operations Training Courses	Upskills Store Operations employees with technical and leadership competencies that will enable them to perform their jobs successfully
Corporate Support Office Training Courses	Reinforces company goals, philosophies, means, and standards among our CSO employees while also offering learning opportunities to enhance their skill set and improve attitude and habits

At PIZZA, training programs include multiple courses, classroom training, on-the-job training, and learning assessment tests. Graduates of training programs receive a certification upon completion. On the other hand, training courses are stand-alone courses open to full-time and outsourced employees.

In addition to the formal training programs mentioned above, continuous hands-on and informal learning opportunities are also offered to PIZZA employees to improve employee engagement and instill the company WOW! Culture and values. These include sit downs and coaching sessions, general assemblies, team building sessions, People Day feedback conversations, and sales rallies.

AVERAGE TRAINING HOURS IN 2022 BY GENDER



70 HOURS
Female

60 HOURS
Male

65 HOURS
Per employee

PERFORMANCE MANAGEMENT SYSTEM

PIZZA promotes and rewards people based on exemplary performance. Through our annual Performance Management System (PMS), employees set clearly defined goals, receive continuous feedback, and are recognized for their contribution. Both the involved individual and their direct manager work together to monitor and evaluate progress of goals. Our standardized performance appraisal process ensures assessments are done objectively so that Management and employees meet our performance standards.

Through the Individual Development Plan (IDP), selected high-potential individuals collaborate with their manager in choosing 3-4 areas to work on for the year and develop a tailored plan to enhance performance. Since 2019, this development program seeks to not only close competency gaps and promote career growth, but also empower employees to take ownership of their development. IDP takes on a 70-20-10 approach where 70% of upskilling experience is through on-the-job training, 20% is from direct coaching, and 10% is formal classroom learning.



100% of our employees, from rank-and-file all the way to executive levels, went through a performance review process in 2022.

361 FULL-TIME EMPLOYEES RECEIVED PROMOTIONS IN RANK AND POSITIONS

As a result of our various training and development efforts and robust performance management system, 21% of our full-time employees received a promotion during the reporting year thanks to their excellent performance and contributions to the company.



EMPLOYEE ENGAGEMENT

3-3 2-25 2-30 401-2

PIZZA believes that our authentic WOW! Culture enables us to drive engagement and performance. PIZZA's **core values** are brought to life from onboarding our new hires to sharing inspiring WOW! stories with our employees. Every individual at PIZZA is evaluated to demonstrate the values through our Performance Management System.

It is also our duty to provide a secure livelihood for our employees. PIZZA offers fair and competitive compensation and benefits that conform with and go beyond national labor statutes, standards, and requirements through our Code of Business Conduct and Ethics. Employees are entitled to benefits that go beyond statutory labor standards such as healthcare coverage and medical services, vacation and sick leave, paternity and maternity leave, flexible working arrangements depending on the nature of work, and retirement benefits to qualified employees, among others. To continue to attract and retain the best talent, we stay current on market standards for salary and benefits and adopt best practices in developing strong employee relations. Apart from providing an engaging environment as well as stable employment, we regularly recognize and honor our exemplary employees and high-performing stores.

The Confederation Of Filipino Workers - Shakey's Pizza Asia Ventures, Inc. Workers Chapter, a recognized and registered labor organization, acts on behalf of our

company-owned Shakey's store rank-and-file employees as the representative body to express concerns regarding their employment terms. Through mechanisms such as quarterly engagements with HR leads and direct lines with the employee relations team, the organization works with PIZZA to settle these grievances. The organization's Labor Management Council, co-chaired by both rank-and-file and senior executives, ensures that the employee's right to association and collective bargaining is upheld through our conflict resolution and grievance procedure.

16% OF TOTAL FULL-TIME EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

276 of our total workforce are our regular restaurant rank-and-file employees (excluding restaurant managers and restaurant officers) directly employed in all Shakey's company-owned restaurants. For our other regular full-time employees not covered by the CBA, such as corporate support employees and store employees of our other businesses, employment terms and conditions are based on their respective employment contracts. PIZZA respects the freedom of all our employees to exercise their right to organize and bargain for better employment terms and conditions.

WORKPLACE CULTURE AND ENVIRONMENT

3-3 2-27 403-1 403-2 403-5 403-6



A healthy and safe working environment is a prerequisite to the well-being of our workforce and paramount to the success of our operations. PIZZA is committed to creating decent and safe working conditions whether in the corporate workplace or on our store and warehouse floors to protect all our employees and workers from injury and health risks. We fulfill this through our Occupational Safety and Health (OSH) Program and Policies, in full compliance with RA 11058 and the Department of Labor and Employment (DOLE)'s standards.

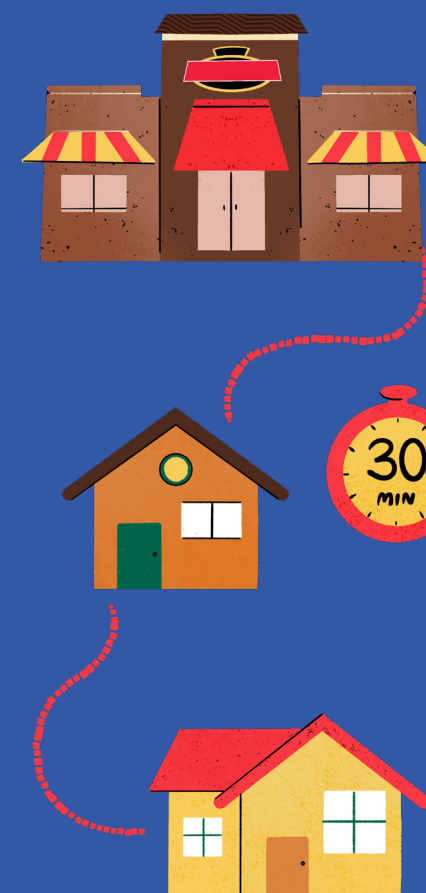
Our Health and Safety Committee manages our OSH program. This includes orientation and regular training, support for work permits for at-risk establishments, and provision of select protective equipment. Work-related hazards are regularly identified and assessed for severity and frequency and given appropriate control systems to prevent these safety risks. Any disabling injury whether permanent, temporary, or resulting in fatalities are reported to DOLE and submitted with required supporting documents to be processed.



In accordance with RA 11058, PIZZA also has put the following OSH policies in place to ensure a safe, productive, and supportive workplace:

1. Company Commitment on Occupational Safety and Health
2. Promotion of a Drug-Free Workplace
3. Mental Health Services in the Workplace
4. Prevention and Control of HIV-AIDS
5. Prevention and Control of Tuberculosis
6. Prevention and Control of Hepatitis B
7. Composition and Duties of Health and Safety Committee

Beyond work-related risks, we support overall health and wellbeing by providing benefits such as medical services and healthcare coverage to our full-time employees. The Human Resources and Organizational Excellence team regularly releases internal communications to promote physical, emotional, mental, intellectual, spiritual, environmental, social, financial, and occupational wellness. We reinforce the Comprehensive Dangerous Drugs Act of 2002 (RA 9165) to establish a drug-free work environment through our Employee Code of Conduct.



SPOTLIGHT STORY: PROJECT NERDY: NEAR & READY

Store Operations employees took at least 43 minutes to get to work, according to a baseline study in August 2020. Hours spent in bumper-to-bumper traffic negatively impacts overall wellbeing and exacerbates air pollution. Through Project Nerdy ("Near and Ready"), we ensure restaurant employees, restaurant and area managers, and outsourced personnel are assigned to locations closer to their homes in efforts to reduce travel time to 30 minutes or less. This initiative not only aims to boost employee productivity, satisfaction, and wellbeing but it also prepares PIZZA stores to be more resilient and crisis ready.

By the end of 2022, 87% of our company-owned store-based workforce (including employees, management, and outsourced personnel) were assigned to a location within 30 minutes of travel time from their homes. This translates to about 91% of Shakey's workforce (2,233 total) and 83% of Peri-Peri's workforce (808 total) - surpassing our annual targets of 80% and 70% respectively. For our emerging brands R&B and Project Pie, at least half of the workforce fall within these parameters. We are working to improve these brands and aim to integrate Potato Corner into the initiative as well.

To sustain our commitment to promoting employee wellbeing and diversity, PIZZA has also made a deliberate effort this year to ensure newly hired company-owned store employees come from local communities situated near their assigned location.

GUESTS

EXTERNAL GUEST ENGAGEMENT

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With nearly 50 years of history in the country, Shakey's has become one of the most recognizable brands in the Philippine food service industry. Our new brands, Peri-Peri, Project Pie, R&B, and the latest acquired Potato Corner have established a strong following themselves. Building brand equity hinges on our commitment to giving guests a WOW-ing experience. With Guest Centricity and passion for service excellence at the core of our WOW! Culture, the PIZZA team embodies the values by putting themselves in our guests' shoes and acting on their needs and wants.



With over a million users nationwide, our SuperCard customer loyalty program enables holders to numerous exclusive benefits such as discounts, freebies and promotions. We've extended these perks from Shakey's and Peri-Peri to R&B and pilot stores in Potato Corner in 2022.

We believe that continuous feedback and evaluation deepens relationships and builds loyalty with our customers. Our Guest Engagement Team sets the tone for our guest-centric culture and oversees the customer relationships with our brands across both company-owned and franchised stores. Through an integrated feedback management system, we connect with customers and address their concerns in a streamlined and timely manner - closing guest feedback tickets within 24 hours. Whether it's regarding satisfaction, health and safety, or privacy and data security, we engage with our guests across multiple touchpoints beyond the service period such as our WeCare emails, Electronic Guest Comment Card, Shakey's delivery hotlines, website, mobile application, and social media accounts. The Guest Engagement team consolidates, analyzes, and reports feedback to continuously improve the way we engage our guests.

Note that when Potato Corner was acquired in 2022, the flavored-fries business had an existing guest recovery and engagement mechanism in place. Full integration with the wider PIZZA business is still ongoing, including the Guest Engagement approach that will help Potato Corner refine their processes.



WE RECEIVED A TOTAL OF OVER 640 THOUSAND TICKETS, OR DOCUMENTED INTERACTIONS WITH CUSTOMERS FROM ACROSS ALL OUR CUSTOMER TOUCHPOINTS AND PLATFORMS. OUT OF THE TICKETS, ONLY 2.8% WERE COMPLAINTS AND NEGATIVE FEEDBACK REGARDING OUR PRODUCTS AND SERVICE.

Essential to our integrated feedback management is our Auto Feedback Link. This links a feedback form directly to our In-House Delivery guests who order via our website, mobile application, and hotline (excluding 3rd party food delivery service providers) to monitor our performance in three service areas - overall experience, delivery promptness, and product quality. We achieved a 5% response rate, of which 65% were positive. To accommodate increasing feedback from guests through online channels, our in-house Contact Center team manages our online interactions with guests.

The insights from our customer interactions helps us identify the underperforming stores that need support, as well as excelling stores whose best practices can be replicated. For example, PIZZA has improved our mobile application to improve tracking of our riders and address complaints regarding delivery time in response to feedback over 2022.

ROLLED OUT THE FIRST AND ONLY 31-MINUTE DELIVERY GUARANTEE ANYWHERE IN METRO MANILA

PIZZA leverages technology and feedback to continuously improve our delivery time. At the same time, we work closely with our drivers to ensure that their safety is not compromised in the pursuit of the goal. We do this by setting a maximum speed limit and designing efficient and systematic routes. Furthermore, the drivers are not penalized for delays in deliveries.

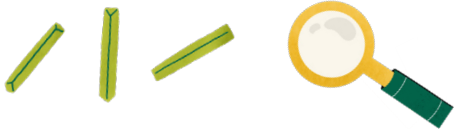
Our customer engagement and management approach leverages technology from response and communication to tracking and evaluation. Therefore, we also put the necessary systems in place to meet industry standards for data security, as mandated by the Data Privacy Act of 2012.

COMMUNITY ENGAGEMENT

PIZZA is accountable to the stakeholders in the communities where we operate, including from where we source our ingredients, supplies, utilities, and staff. Our advocacies go beyond providing quality products and services and are in pursuit of enduring and meaningful partnerships with change agents who share our vision of a better future.

JOB CREATION AND LIVELIHOOD SUPPORT

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As PIZZA grows, so do the jobs created and supported along our value chain ecosystem. Whether it's through our partners, vendors, or suppliers, we create livelihood opportunities and encourage decent working environments. Our **Supplier Code of Conduct and Ethics** (SCOCE) is one way where we create positive impact while expanding our locus of positive influence.

8,858 TOTAL NUMBER OF JOBS SUPPORTED ACROSS PIZZA VALUE CHAIN IN 2022

PIZZA contributes to the national economy by supporting 8,858 jobs (2021: 6,042), an increase of 47% compared to the previous year due to store expansion and the acquisition of Potato Corner whose business has a footprint of more than 1,400 stores all over the world. This figure includes company-owned restaurant and corporate support employees and workers, as well as those whose jobs are indirectly supported through our business relationships such as our franchised staff, store riders, participants from our inclusive hiring programs, call center agents, and maintenance and utilities staff.

SPOTLIGHT STORY: PERI PAINTS: EMERGING RESTAURANT SUPPORTING EMERGING ARTISTS

In line with Peri-Peri's mission to proliferate the arts and creative minds, the fast-growing restaurant chain launched Peri Paints - a collaboration with young and emerging local artists to create vibrant wall murals and interiors at newly opened locations. Peri Paints views the art initiative as an opportunity to support young artists' talents and careers and promote the arts at local communities as it continues to expand its store network in Metro Manila and nearby provinces. In 2022, Peri-Peri opened 16 new stores and has worked with 3 local artists.



Celebrating its 30th anniversary, Potato Corner launched its first franchisee loan program in partnership with Robinsons Bank to provide easy access to funding for its new franchisees. The special loan program allows for competitive rates, including flexible terms and no collaterals required, which can be availed by both existing and new franchisees. With its strong brand, simple operations, and asset-light nature, the leader of kiosk-based flavored fries in the Philippines has become the preferred franchise for budding entrepreneurs. Potato Corner, together with PIZZA, aims to enable the growth of micro-, small-, and medium-enterprises as the backbone of the Philippine economy. Read about our spirit of entrepreneurship in the **Investing in Our People: Nurturing Entrepreneurs** section of this report.

PLANET



NATURAL RESOURCE EFFICIENCY

3-3

At PIZZA, we strive to improve the efficiency by which our organization consumes natural resources. We are implementing industry best practices for water and energy management and closely monitoring our consumption of these vital resources.

The Sustainability Steering Planet Subcommittee meets each quarter to review our resource management report, monitor developments, and identify new opportunities for reducing water and energy consumption.

WATER CONSUMPTION REDUCTION

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303-2

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From the general cleaning and sanitation at stores to being an essential input in the kitchen and cooking process, we monitor, measure, and analyze our water usage to continuously improve our resource efficiency, ensure the cleanliness and safety of our operations, and mitigate our environmental impact. This is especially important for PIZZA as we operate in high water stress areas such as Metro Manila.

Whether it is encouraging our employees and customers to practice water conservation at the stores or investing in new technology such as installing automatic low-flow

hand washing machines, we engage our stakeholders to use our water resources responsibly.

24 STORES INSTALLED WITH LOW-FLOW HAND WASHING MACHINES

Low-flow technology helps conserve water without compromising cleanliness by releasing the right amount of water. In 2022, 3 Peri-Peri stores and 6 Shakey's stores installed low-flow hand washing machines.

WATER WITHDRAWAL AND INTENSITY	2022
Water withdrawal ('000 CBM)	782
Water intensity* (CBM/PH Million)	55.49

**Water intensity is calculated as water withdrawn divided by total systemwide sales in PHP. This metric means that for every million Pesos of sales generated in 2022, PIZZA withdrew 55.49 cubic meters of water.*

All wastewater discharged from all PIZZA facilities adheres to minimum standards established by the Department of Environment and Natural Resources (DENR) Administrative Order (DAO) 2021-19, the City Environment & Natural Resources Office (CENRO), the Municipal Environment & Natural Resources Office (MENRO), and Laguna Lake Development Authority (LLDA).

In 2022, 37 of standalone Shakey's stores now utilize onsite sewage treatment plants to treat effluents from their operations before discharging.

ENERGY CONSUMPTION REDUCTION

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Energy fuels our operations with our stores, offices, warehouses, equipment, and vehicles running primarily on electricity, gasoline, and LPG. We aim to reduce our consumption to maximize energy efficiencies and cost savings. One approach is through implementing technology, such as thermal insulation and inverter-type cold storage, which also results in energy savings. Moreover, we promote behavioral changes where our store employees are encouraged to turn lights off when not in use. We also recognize that we have more control with our company-owned stores, nonetheless, we communicate our learnings from these initiatives with our leased spaces and franchisees to help improve their energy consumption.



ENERGY	2022
Total energy consumption (M GJ)	97.96
Non-renewable	97.96
Renewable	0
Energy intensity* (GJ/PHP Million)	6,954

**Energy intensity is calculated as total energy consumption divided by total systemwide sales in PHP. This metric means that for every million Pesos of sales in 2022, PIZZA consumed 6,954 gigajoules of energy.*

ENVIRONMENTAL IMPACT MANAGEMENT

Managing our resources responsibly goes hand-in-hand with managing and mitigating our negative impacts on the environment and doing our part in tackling climate change.

GREENHOUSE GAS EMISSION REDUCTION

3-3 305-1 305-2 305-4

Our senior leadership team and Board of Directors are jointly responsible for assessing the impacts and developing the appropriate mitigation and adaptation strategies to reduce our carbon emissions and manage climate-related risks.

Effective responses to climate change rely on credible

strategies to transition towards a low carbon economy. For PIZZA, we are looking towards using more renewable energy for our operations - exploring mixed energy sources through solar panel installations at the corporate head office, free-standing stores, and commissaries, and using solar powered water heaters at our free-standing stores.

GHG EMISSIONS & GHG INTENSITY OF PIZZA	
EMISSION	2022
Scope 1 (M tonnes CO2e)	6.17
Scope 2 (M tonnes CO2e)	0.03
Emission intensity (tCO2e/Php Million)**	440

**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 gasses reported include carbon dioxide, methane, and nitrous oxide.*
***Emission intensity is calculated as total GHG emissions divided by total systemwide sales in PHP. This metric means that for every million pesos of sales in 2022, PIZZA emits 440 tons CO2e of greenhouse gasses.*

LANDFILL WASTE REDUCTION

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From procuring our raw materials and preparing food to managing logistics and serving our guests through multiple sales channels and store formats, PIZZA is responsible for the waste we generate. Our opportunities lie in reducing at source, procuring more responsible materials, improving segregation, recovery, and recycling.



WASTE FROM OPERATIONS

We currently focus our efforts on plastic and food waste reduction as these often make up the highest percentage of waste composition within the Food and Beverage industry.

WASTE GENERATED FROM OUR OPERATIONS	2022
Total waste ('000 MT)	165

We are integrating segregation efforts as part of our common business practices within the stores and across our corporate offices. At our headquarters, we installed five centralized “Stop Before You Drop” trash bins labeled with different waste types and a materials recovery facility (MRF) to reinforce proper separation of recyclables through behavioral change among our corporate support office employees.

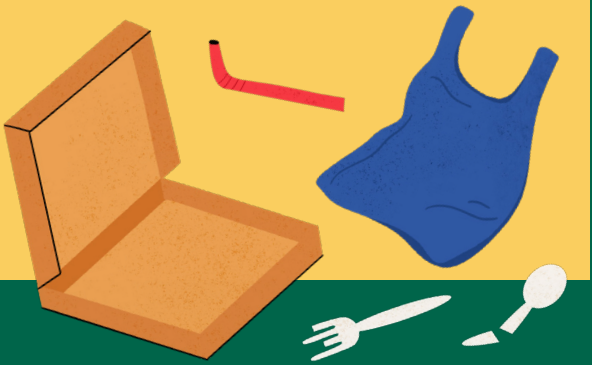


Within our company-owned stores, we launched Project HuRRRah back in 2021 to map our waste streams, establish systematic collection and segregation, and improve data collection. Though this initiative took a pause during the reporting period due to rapid store expansions, we briefed our Peri-Peri stores and franchise teams in preparation for rolling out the initiative in 2023 together with Shakey’s. For Potato Corner, whose primary model is franchising, we plan to educate them on measuring and managing their waste. By the end of 2023, we aim to establish the baseline of the different types of waste generated in our company-owned stores and identify key initiatives to reduce at source and recycle waste into new resources.

WASTE FROM CUSTOMER PACKAGING

We are cognizant of the footprint associated with the customer packaging we procure. One of our efforts is to consider its lifecycle from how it was made until end-of-life and start reducing the environmental impact across these stages. In 2022, the majority of total packaging volume was on timber-based materials such as cardboard pizza boxes and paper takeaway boxes. However, procuring non-plastic packaging is only the beginning. In a country like the Philippines where waste management is still underdeveloped, the bigger challenge ahead is diverting these materials away from landfill and ensuring these are properly processed into inputs that can be reused. We recognize the complexities in managing post-consumer packaging waste considering these would no longer be within our control. Our long-term view is to minimize the environmental impact of our packaging, both up and down our value chains. In the interim, we offset our usage of non-biodegradable plastic packaging through our **Plastic Neutrality**.

MATERIALS	2022
Materials used ('000 MT)	26
Renewable materials (%)	98%
Non-renewable materials (%)	2%



NET ZERO PLASTIC WASTE 3-3 413-1

Plastic has long been a ubiquitous and staple material to running many businesses, including the food industry. However, with plastic pollution making its way into our ecosystems and diets - and the emissions from a highly resource-intensive and fossil-fuel-reliant manufacturing process, consumer companies face an incredible challenge. Unfortunately, sustainable, functional, and cost-effective alternatives are still difficult to find and adopt.

Tackling plastics remains a key focus area and is part of our commitment to being a sustainable business. For PIZZA to meaningfully contribute to the solution, we will continue to seek more sustainable alternatives to single-use plastic and explore ways to reduce our reliance on plastic. For instance, we consider our packaging waste materials (see **Landfill Waste Reduction** above).

There is also an unavoidable plastic footprint associated with our post-consumer waste. As an interim solution, we continue to partner with Plastic Credit Exchange (PCX) to enable PIZZA brands that use plastic packaging and cutlery to commit to Net Zero Plastic Waste. We do this by purchasing plastic credits from PCX in a plastic offset mechanism that resembles the carbon offset industry. This means that we can compensate for our brands’ plastic packaging waste with an equivalent

amount of post-consumer plastic waste that is collected and recycled or co-processed. PCX, through its wide network of vetted partners, collects the equivalent plastic waste from the environment and ensures these are recycled into new useful products or co-processed into energy often in lieu of coal. While we firmly believe that offsetting is not the end-all and be-all solution to the plastic problem and should not replace concrete ways to lessen our reliance on plastic, it is a provisional measure that we can take.

JANUARY 2022 MARKS OUR THIRD YEAR OF COMMITTING TO NET ZERO PLASTIC WASTE

Moving forward, to guarantee the integrity and validity of our plastic offsets, we are planning to engage a third-party auditor to verify the quantities of our plastic footprint in terms of end-consumer plastic packaging against the purchased credits. This completes the certification process with our full audit documentation published in the PCX credit registry.

In 2022, we purchased 150 metric tons of plastic credit to offset our plastic packaging procured for the year.

For more information on our Plastic Neutrality program with PCX, visit **our website**.

SUPPLY CHAIN MANAGEMENT

PIZZA recognizes our contribution to sustainable development is not limited to our operations and direct activities. We believe we can magnify our positive impact across our value chain through the relationships with our business partners.

SUPPLIER CREDIBILITY

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As stated in our Supplier Accreditation Policy, we seek business partners that meet our commercial standards, comply with relevant government regulations, and align with our social and environmental aspirations as a responsible member of the community.

Instituted in 2021, our **Supplier Code of Conduct and Ethics** (SCOCE) outlines the company's stance on responsible sourcing and supply chain sustainability and the corresponding requirements we expect our suppliers, manufacturers, and service providers to uphold.

The SCOCE covers our standards on:

- Human rights (child labor, forced labor and human trafficking, nondiscrimination, harassment, working hours, wages, and benefits)
- Health, safety, and quality
- Business ethics (business integrity, no gift policy, fair competition, privacy and intellectual property, conflict of interest)
- Environmental compliance with applicable laws and regulations
- Management systems

100% OF OUR CURRENT SUPPLIERS SIGNED AND ACKNOWLEDGED THE SCOCE AS A REQUIREMENT TO WORK WITH PIZZA

Currently, all supplier audits are mainly for Quality Assurance to evaluate and ensure product quality and safety standards.

As part of accountability, we have also provided the company's contact details in the SCOCE as open communication lines for our partners to report any cases of misconduct by our people or anyone acting on behalf of our business.

The role of our Board's Corporate Governance & Sustainability Committee includes oversight for supply chain management. To keep abreast with changes in social, environmental, and governance issues across the supply chain, we intend to formally engage with our key stakeholders from our employees and Board of Directors to our suppliers and other external groups such as NGOs, labor groups, or industry peers to help us update and revise our Supplier Code of Conduct and Ethics when necessary.

100% of palm oil suppliers certified by the Roundtable on Sustainable Palm Oil. Potato supplier meets energy efficiency guidelines and is energy star certified. Beverage suppliers follow sustainability guidelines on water, community, and supplier principles.

LOCAL SOURCING

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As a proud Philippine company with WOW-ing restaurant brands well-loved by many Filipinos, we allocate 82% of our total procurement budget on suppliers registered in the Philippines (2021: 86%), particularly on our food items and packaging materials.

We continuously work with our local suppliers to fulfill most of our requirements, namely chicken, fresh produce, and packaging materials. We believe that this approach supports local businesses and the economy.

The local portion of food item spending declined from 86% in 2021 to 82% in 2022 primarily due to rising costs of imported items.



82% OF SPEND ON FOOD ITEMS

was spent on local suppliers



100% CHICKEN

are locally sourced



100% FRESH PRODUCE

are locally sourced

PIZZA

PROFIT PURPOSE ALIGNMENT

PRODUCT DEVELOPMENT AND INNOVATION

3-3

At PIZZA, we constantly look for ways to come up with offerings that are enticing, accessible, unique, and sustainable. Led by our Research and Development team, we believe that developing new products with sustainability in mind drives innovation and WOWs guests.



PRODUCT CONCEPT DEVELOPMENT

Consumer insights indicate innovations for new menu concepts and product improvement which are evaluated and tested for market potential. Boundaries breed creativity - we optimize the existing equipment and ingredients that we have in pursuit of innovative ideas, allowing us to get the most use out of our existing resources and reduce any potential food waste.



KITCHEN PROFILE DEVELOPMENT

Based on the product concept brief, we develop and fine-tune the kitchen profile to produce a final prototype that is commercially ready. This includes testing the store processes to determine replicability, food and packaging costs, and feasibility of current kitchen equipment.



PRODUCT FEASIBILITY

The operational viability and scalability of the product are measured through production consistency, financial forecasting, reliability of supply for raw materials and kitchenware, and the distribution capacity through our multiple sales channels.



PRODUCT LAUNCHING

New products are systematically prepared for introduction to the market. This phase involves supply build-up, systems preparations, the completion of product manuals, as well as training and marketing communication materials.

We work with our store operations and suppliers to determine, customize, and ration the pack sizes of raw materials and items according to the stores' consumption, enabling us to minimize food wastage. Moreover, we work with suppliers to ensure our goods are packed and delivered using materials that secure their quality and safety.



40 NEW PRODUCTS
launched

FOOD QUALITY AND SAFETY

3-3 2-27 416-1 416-2

We ensure that the food we serve is of excellent quality and is safe for consumption. We promote and adhere to our health and safety protocols that align with the highest standards demanded by the industry at every stage of our operations, from product development to sourcing, logistics, and production to serving our guests.

PRODUCT DEVELOPMENT

We ensure that the food we serve is of excellent quality and is safe for consumption. We promote and adhere to our health and safety protocols that align with the highest standards demanded by the industry at every stage of our operations, from product development to sourcing, logistics, and production to serving our guests.

SUPPLIER AUDIT

PIZZA procures materials only from suppliers that satisfy our globally accepted food quality and safety standards on food safety practices, microbial hazards assessments, employee and facility sanitation, and end-product analysis. Audits are conducted by our quality assurance (QA) officers during the screening process for new suppliers and as part of risk-based surveillance. In doing so, we uphold the Health, Safety, and Quality requirements in our Supplier Code of Conduct and Ethics.

28 SUPPLIERS WERE SCREENED FOR FOOD QUALITY AND SAFETY IN 2022, OUT OF WHICH, 15 WERE NEWLY ACCREDITED WHILE 13 WERE ON PROBATION

With the country reopening and recovering from the pandemic, we now conduct blended audits - onsite for priority suppliers handling our core materials and remote audits for other local and international partners.

AUDIT ON RECEIVING

All materials must be thoroughly inspected upon arrival. Product temperature, delivery vehicle cleanliness, hygiene, shelf-life, and packaging integrity are measured for compliance. Stringent receiving procedures are also carried out for materials delivered to our stores.

AUDIT ON DISPATCHING

The inspection extends to the dispatching activities to our stores - from the delivery vehicles' compliance with hygiene and temperature requirements, quality and safety of finished products, to the packaging interior before dispatch.



FOOD SAFETY TRAINING

It is imperative that PIZZA employees are trained in food handling and serving, as well as recognizing and preventing food-related health hazards. Thus, we require all our food handlers to be trained as food service professionals using ServSafe standards. The training covers food safety, time and temperature, cleaning and sanitation, cross-contamination and allergens, and personal hygiene.

QUALITY, SERVICE, CLEANLINESS, HOSPITALITY (QSCH) AUDITS

Our internal and external QSCH audits ensure that safety and quality controls are consistently maintained for both our food and service across all our stores.

Our internal QSCH audit is conducted thrice a year across our company-owned and franchised stores to help us benchmark against similar players in the dining industry. Stores are assessed on:

• SERVICE HOSPITALITY

We give emphasis on THINK GUEST - one of the main components of our WOW! Culture. This not only includes the cleanliness and conditions of our stores, but also the way we attend to and serve our guests.

• PRODUCT QUALITY

We pay extra attention to the standard product freshness, storage, and food preparation, and other quality control points.

99%

of Shakey's company-owned stores and franchisees underwent internal QSCH audits

90%

of Shakey's audited stores were found to be compliant overall with QSCH standards

81%

of Peri-Peri stores underwent internal QSCH audits

72%

of Peri-Peri stores were found to be compliant overall with internal QSCH standards

71%

of Potato Corner's domestic stores underwent PC QSCH audits

98%

of Potato Corner's audited stores were found to be compliant with PC standards

Potato Corner is building capability to audit international stores. Currently, Thailand, a major market under a franchisee, has its own store audit system.

The third-party audit is executed by Mystery Guests who appraise our stores on service and hospitality, cleanliness and conditions of stores, and food quality. 162 Shakey's stores and 44 Peri-Peri stores underwent Mystery Guest audits on Product Quality and Service and Hospitality in 2022.

HEALTHIER PRODUCTS

3-3

As the first major restaurant chain in the Philippines to make this move into plant-based formats, we aspire to make plant-based eating affordable and accessible to many. We have experienced sustained volumes from the positive reception from vegetarian, vegan, and flexitarian communities from rotating these healthy offerings in our bundles. Following a series of focus group discussions and initial feedback from guests, we believe our new healthy menu offerings may also WOW those who are less familiar with plant-based menu items.

Vicente Gregorio, President and Chief Executive Officer of PIZZA, said, "Healthy offerings are a must-have in today's world. We want to become more responsible and sustainable as a company. Hence, at PIZZA, we aim to be inclusive with our menu and provide more choices to our green-seeking guests. We believe that these will also future-proof our business as consumers become more discerning."

Consumers' taste and eating habits are evolving, with the surging demand for healthier alternatives for protein and fiber. Aside from the health benefits, the environmentally conscious consumer has also seen an uptick - choosing to put their money in options that are healthier for the planet.

PIZZA is embracing these changes with the goal to promote a healthier lifestyle and offer guilt-free indulgence while lightening our environmental footprint.

During the year under review, there were around 75 incidents, less than 1 per store, representing complaints on food quality and service across all our stores. We train our staff to promptly address these incidents through replacements, vouchers, and free meals. Our staff escalates these to store managers who are empowered to make decisions on how to properly resolve and prevent recurrence.



We have since expanded our portfolio of better-for-you and better-for-the-planet menu items, from Shakey's successful plant-based burger, chicken nuggets, and pizza to launching R&B's plant-based milk tea in 2022 made with soy milk and seaweed-derived boba. Project Pie and Peri-Peri have also taken an initial step with menu options that offer a balanced diet.

Key to this success was sourcing Shakey's Good Menu from Century Pacific's 'unMEAT' brand made from non-GMO plant-based ingredients, with no cholesterol, no preservatives, and no trans-fat content, while remaining as a good source of protein and fiber. Apart from being plant-based, the supply chain for 'unMEAT' also requires lower consumption of water, land, and energy, and generates less greenhouse gas emissions compared to the production process for meat. Together with CNPF, we can come up with offerings that are just as tasty as any meat- and animal-based product yet are affordably healthy and positive for the planet.

NUTRITIONAL TRANSPARENCY

3-3

Nutritional transparency continues to be an important issue to PIZZA as part of promoting a healthier lifestyle with our guests. Currently, nutritional value and allergen information for Potato Corner's flavored fries and allergen information for all Shakey's offerings are readily disclosed upon customer request.



GOVERNANCE



CORPORATE GOVERNANCE

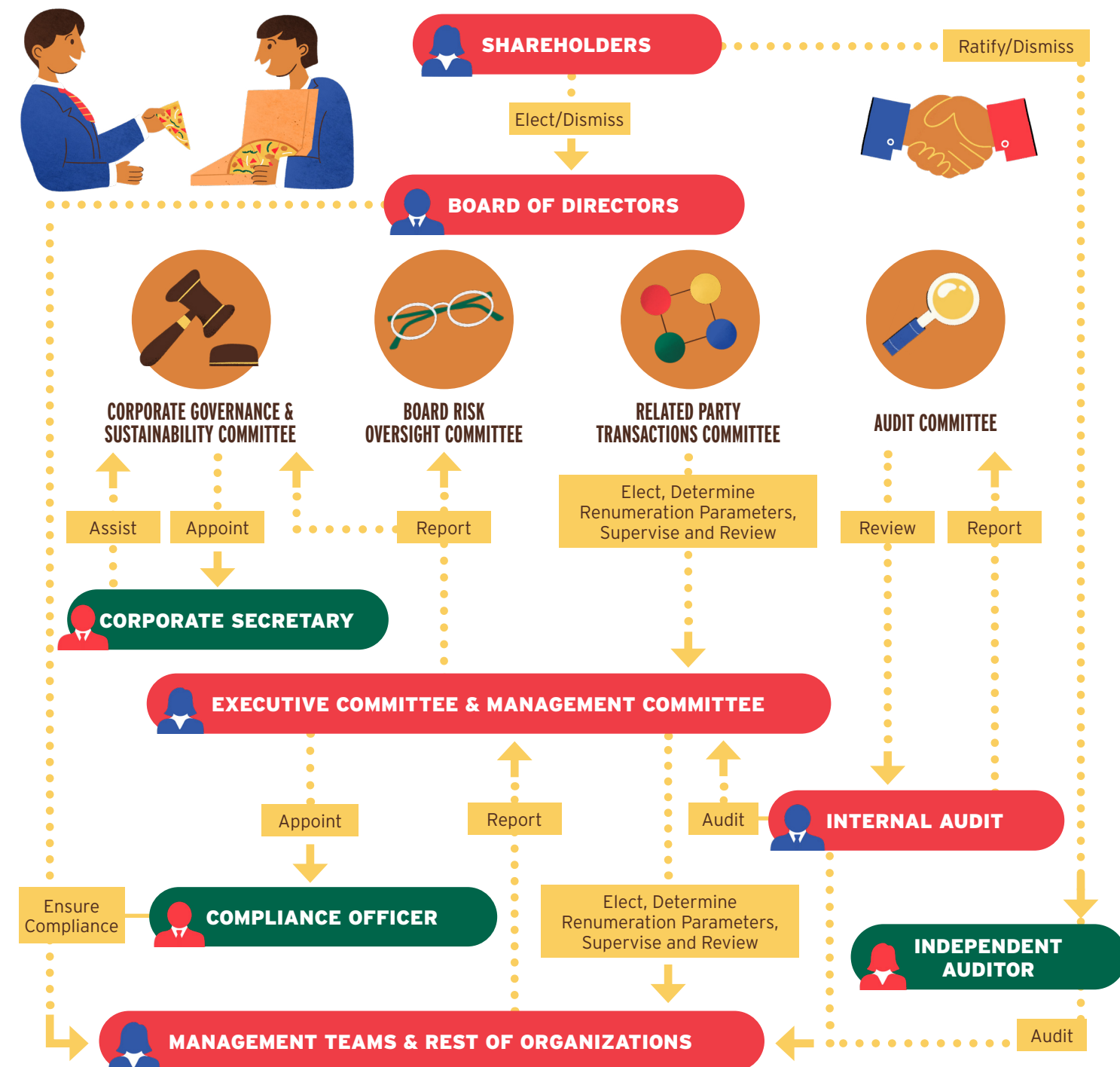
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THE COMPANY RECOGNIZES THE IMPORTANCE OF GOOD GOVERNANCE TO SUCCESSFULLY PROGRESS IN ITS SUSTAINABILITY JOURNEY AND CREATE GREATER VALUE FOR SHAREHOLDERS.

We believe that 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.



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 Manual on Corporate Governance which is available on the PIZZA 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

1. 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 on par with set standards

3. 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

2-9 2-10 2-11 2-17 2-19 2-20

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.

9 BOARD MEMBERS



6 Directors



3 Independent Directors



51

Average age



33%

Independent



3

Board Seats held in publicly listed companies on Average

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 Company's Nomination Committee pre-screen and accept the nominations for the board of directors in accordance with the criteria provided in the Company's Manual of Corporate Governance and the Company's By-Laws.



Some of the qualifications of directors include the following:

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.

Once elected, the directors serve for a term of one (1) year. Unless he/she resigns, dies or is removed, each director holds office until the next annual election and until his successor is duly elected.

BOARD MEETING ATTENDANCE			
DETAILS	MEMBERSHIP AND ATTENDANCE		
	STOCKHOLDER AND BOARD		
Meeting	Annual Stockholder	Regular*	Special*
No. of Meetings	1	4	15
Christopher T. Po Chairman	C 1/1	C 4/4	C 15/15
Teodoro Alexander T. Po Vice Chairman	1/1	VC 4/4	VC 15/15
Ricardo Gabriel T. Po Vice Chairman	1/1	VC 4/4	VC 15/15
Vicente L. Gregorio President	1/1	M 4/4	M 15/15
Leonardo Arthur T. Po Treasurer	1/1	M 4/4	M 15/15
Lance Y. Gokongwei Director	1/1	M 4/4	M 15/15
Fernan Victor P. Lukban Independent Director	1/1	M 4/4	M 15/15
Paulo L. Campos III Independent Director	1/1	M 4/4	M 15/15
Frances J. Yu Independent Director	1/1	M 4/4	M 15/15

C Chairman **VC** Vice Chairman **M** Member
 *In 2022 and during the incumbency of the Director

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 2022. For the year, the annual training focused on good governance principles and practices rooted in purposeful Personal Governance.

EVALUATION SYSTEM

PIZZA has implemented a annual Board Performance Assessment with the following Criteria and Process of evaluation:

- the structure, efficiency, and effectiveness of the Board
- participation and engagement of each member of the Board
- contribution of each member director to their respective Committees
- the performance of management.

The criteria also reflects the specific duties, responsibilities and accountabilities of each party assessed as provided in the Company’s By-Laws, Manual on Corporate Governance, Board Committee Charters and governing policies.

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.

COMMITTEES OF THE BOARD OF DIRECTORS

- 2-9
- 2-10
- 2-11
- 2-16
- 2-19
- 2-20

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 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.

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.

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.

Darel G. Pallesco was re-appointed as the Company’s Chief Audit Executive and has 10 years of experience in auditing, compliance, and risk management roles in various companies prior to joining PIZZA in 2014.

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, reappointment, 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.

SyCip Gorres Velayo & Co. was re-appointed as the Company's independent auditor for 2022 during the Annual Stockholders' Meeting last June 20, 2022, with Christine G. Vallejo 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 2022, SyCip Gorres Velayo & Co. was paid PHP 5.1 million for their audit services. SyCip Gorres Velayo & Co. is a member firm of Ernst & Young.

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, of whom majority are independent, including the Chairman (who should

neither be Chairman of the Board nor of any other committee). At least one member should be knowledgeable in risk and risk management.

The Committee should always have clear communication with the Chief Risk Officer. Manuel T. Del Barrio, the Company's Chief Finance Officer, was re-appointed as the Chief Risk Officer on July 15, 2020.

CORPORATE GOVERNANCE & 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 will be expanded to include sustainability matters which involve environmental, social, and sustainability governance concerns.

The Committee's responsibilities also include sustainability matters which involve environmental,

social, and sustainability governance concerns. The committee oversees the implementation of our sustainability framework and periodically reviews sustainability risks and opportunities. It receives updates on overall progress on sustainability and corporate governance semi-annually and advises the Management's Sustainability Steering Committee accordingly. With the rest of the Board, the committee also acts as gatekeeper for sustainability disclosures.

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.



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

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	4	2	1	2
Ricardo Gabriel T. Po Vice Chairman	M 2/4	M 2/2	–	–
Lance Y. Gokongwei Director	–	–	M 1/1	–
Fernan Victor P. Lukban Independent Director	C 4/4	M 2/2	M 1/1	M 2/2
Paulo L. Campos III Independent Director	M 4/4	C 2/2	–	C 2/2
Frances J. Yu Independent Director	–	–	C 1/1	M 2/2

C Chairman M Member

REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

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 and a special meeting to discuss the following:

1. 2021 External Audit Results of SGV & Co.; Presentation of FY21 Financial performance, Internal Audit
2. Presentation of Q1 Unaudited FS; Internal Audit Report
3. Presentation of Q2 Unaudited FS; 2022 Financial Outlook; Internal Audit Report
4. External Audit Plan 2022; Presentation of Q3 Unaudited FS; Internal Audit

REPORT OF THE CORPORATE GOVERNANCE AND SUSTAINABILITY COMMITTEE TO THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022:

1. Conducted the Board of Directors self-assessment
2. Reviewed the 2022 ESG Report, provided feedback, and advised on key areas for improvement

REPORT OF THE BOARD RISK OVERSIGHT COMMITTEE TO THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

The Board Risk Oversight Committee is tasked to oversee the Company's enterprise risk management system to ensure its functionality and effectiveness. The Committee achieved the following:

- Discussed the full year business outlook, including inflation and supply risks, and mitigating plans

REPORT OF THE RELATED PARTY TRANSACTIONS COMMITTEE TO THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

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. Maria Rosario L. Ybañez was elected as the Company's Corporate Secretary on June 1, 2018, and has been involved in the practice of corporate, civil, criminal, labor, and intellectual property law since 2001. She attended her training on corporate governance conducted by the ICD in August 2022.

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.

Manuel T. Del Barrio, the Company's Chief Finance Officer, was re-appointed as the Compliance Officer on July 15, 2020. He attended his training on corporate governance conducted by the ICD in August 2022.

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. The positions of Chief Executive Officer and Chairman of the Board are held by separate individuals. Their roles in the organization are distinguished below:

CHIEF EXECUTIVE OFFICER

1. Supervise, monitor, and control operational activities and performance
2. Oversee operational alignment and operating structures
3. 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
6. 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

CHAIRMAN OF THE BOARD

1. Maintain qualitative and timely lines of communication and information between the Board and Management
2. 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. Focus on long-term goals and important strategic moves
4. Evaluate the performance of high-level executives

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, PIZZA is able to fulfill its purpose of providing great times and great memories... always! As such, attracting, developing, and retaining talent across the organization is of key importance.

PIZZA sets high standards for itself with its WOW! Philosophy and performance goal of being better than before, better than others, and better than expected. It is an organization with a culture anchored on guest centricity, understanding and respect, excellence, sense of ownership, trustworthiness, strategic thinking, and tenacity. As such, PIZZA sees the importance of investing in its people.

PIZZA continuously strives to boost the entrepreneurial spirit of its people through its Think Guest Program. Its rewards philosophy is to "Pay for Performance" and ensure that high performers are recognized and differentiated from the rest. The Company wants its expansion program to spur the career growth of its people, making sure it retains those who share the same passion for excellence and demonstrate grit in order to sustain PIZZA's edge in the industry.

The Company's policies also promote compliance with government regulations on health and safety, while employee welfare policies are designed to help employees achieve work-life balance. It also believes in providing opportunities to people with disabilities and working hand-in-hand with local communities through special recruitment projects.

CODE OF BUSINESS CONDUCT & ETHICS

2-15 2-23 2-24

The Company's policies on the following business conduct and ethics affecting the directors, senior management, and employees are discussed below:

CONFLICT OF INTEREST

All employees, irrespective of rank, should always act in the best interest of the Company. All conflict of interest shall be avoided and prohibited. In the event that such will occur, the disclosure must be made to the immediate supervisor or human resources head.

RECEIPT OF GIFTS FROM THIRD PARTIES

All employees are prohibited from accepting gifts based on the no gift policy of the Company.

RESPECT FOR TRADE SECRETS AND USE OF NON-PUBLIC INFORMATION

All employees are required to sign and adhere to a confidentiality agreement. All employees are prohibited from disclosing or using to their own advantage any nonpublic information.

CONDUCT OF BUSINESS AND FAIR DEALINGS

Business is dictated by free competition—no monopoly and no price manipulation. Price is dictated by supply and demand. Employees are required to comply with fair trade practices.

COMPLIANCE WITH LAWS AND REGULATIONS

All employees, in the conduct of business, are obliged to comply with all relevant laws and regulations.

USE OF COMPANY FUNDS, ASSETS AND INFORMATION

All employees are required to act as responsible custodians of all company funds, assets, and information. As such, all are required to protect and preserve company assets.

EMPLOYMENT AND LABOR LAWS AND POLICIES

The Company complies with all existing employment and labor laws and policies.

WHISTLEBLOWER

The Company has a whistleblower policy that provides an avenue for employees to report misconduct of fellow employees, including their superiors, while protecting the employee's identity and welfare.

INSIDER TRADING

The Company's insider trading policy states that all managers and up are strictly prohibited from buying or selling PIZZA 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.

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.

CONFLICT RESOLUTION

The Company provides a work environment that is conducive to friendly resolution of disagreement. Superiors should promote amicable settlement of conflicts.

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 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 and Exchange Commission.

ANTI-CORRUPTION

205-1

205-2

205-3



From new recruits all the way up to the Board, PIZZA upholds its zero-tolerance policy against corruption. Anti-corruption training begins at the onboarding session for all new hires, while our Board of Directors receive 1:1 training on management and reporting for incidents. The anti-corruption program and procedures are listed on the company website. PIZZA's Code of Business Conduct and Ethics also covers elements of anti-corruption with provisions on Conflict of Interest, Conduct of Business, Receipt of Gifts, Compliance with Laws, Whistleblowing, among others.



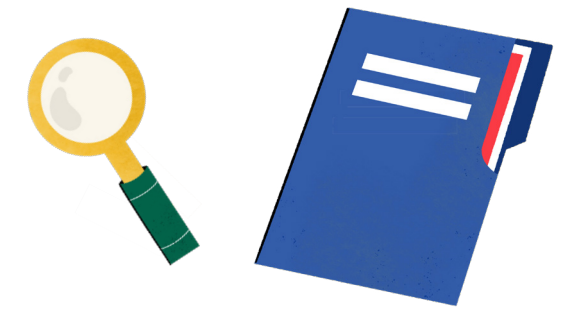
370 OPERATIONS, 100% OF TOTAL, WERE ASSESSED FOR ANTI-CORRUPTION

The risks identified and addressed were primarily around employee collusion, especially at the store level. PIZZA has mitigating policies in place and conducts regular audits to manage the risk.



IN THE REPORTING YEAR, THERE WERE ZERO (0) CONFIRMED CASES OF CORRUPTION.

RISK MANAGEMENT



RISKS IN SAME-STORE SALES GROWTH

WE OPERATE IN HIGHLY COMPETITIVE MARKETS

The Philippine foodservice industry, in general, is highly competitive with relatively low barriers to entry. As such, many well-established food service businesses compete directly and indirectly with us. We compete with national, regional, and locally owned full-service and casual dining stores that offer dine-in, carry-out, delivery, and catering services. These segments are highly competitive with respect to, among other things, location, managing and meeting human resource requirements, taste, price, raw materials, food quality and presentation, service, brand awareness and loyalty, and the ambience and condition of each store.



DAMAGE TO OUR REPUTATION AND THE SHAKEY'S, PERI, R&B, PROJECT PIE, AND POTATO CORNER BRANDS, AND NEGATIVE PUBLICITY TO OUR STORES, COULD NEGATIVELY IMPACT OUR BUSINESS

Any incident that erodes consumer affinity for our brands could significantly reduce their value and damage our business. We may be adversely affected by news reports or other negative publicity regardless of their accuracy regarding food quality issues, public health concerns, illness, safety, injury, customer complaints or litigation, health inspection scores, integrity of ours or our suppliers' food processing, employee relationships or government or industry findings concerning our stores, or stores operated by other foodservice providers or others across the food industry supply chain. Finally, there has been a marked increase in the use of social media platforms and similar devices, making the availability of information virtually immediate as is its impact.

Our growth is dependent, in part, upon our ability to maintain and enhance the value of our brand, consumers' connection to our brand, and positive relationships with our franchisees. We believe we have built our reputation on the high quality of our food, service, and staff as well as on our culture and the ambience in our stores thanks to tried and tested operational systems that cover all aspects of food safety and quality as well as guest service and hospitality.

We must protect, invest, and grow the value of our brand to continue building barriers to entry in this highly competitive industry. Successfully competing in our markets depends on our ability to maintain low-cost operations, allowing us to provide value-for-money options to our guests and further enhance their loyalty via promotions, meal bundles, and loyalty programs, among others.

RISKS IN INCREASING STORE NETWORK



OUR GROWTH IS HIGHLY DEPENDENT ON OUR ABILITY TO OPEN NEW STORES, MAINTAIN OUR EXISTING STORE NETWORK, AND SELECT STRATEGICALLY LOCATED SITES FOR OUR STORE BRANCHES

One of the key means of achieving our growth strategy will be through opening new stores, both company-owned and franchised, maintaining our existing network of stores (including successfully relocating these stores when necessary), and operating those stores profitably. We may not be able to open stores as quickly as planned. In the past, we have experienced delays in opening some stores due to construction delays, delays in obtaining local permits, and major uncontrollable events such as the COVID-19 pandemic, which could happen again in future store openings. Delays or failure in

opening stores could materially and adversely affect our growth strategy and our business, financial condition, and results of operations.

In addition, one of our biggest challenges is locating and securing an adequate supply of suitable store sites in our target markets. Competition for those sites is intense among other store and retail operators, and there is no guarantee that enough suitable sites will be available in desirable areas or on terms that are acceptable to us to achieve our growth plan.

OPENING NEW STORES IN EXISTING MARKETS MAY NEGATIVELY AFFECT SALES AT OUR EXISTING STORES

Opening a new store in or near markets in which we already have stores could adversely affect sales at these existing stores. Existing stores could also make it more difficult to build our guest base for a new store in the

same market. Sales cannibalization between stores, which could affect our sales growth as we continue to expand our operations, could adversely affect our business, financial condition, and results of operations.

Our ability to open new stores and maintain our existing store network also depends on using our brand strength and proven track record to negotiate new leases or renew existing leases at acceptable or favorable terms. We also ensure that we have identified, hired, and trained qualified employees for each site from the development of the store to construction and to the eventual opening and operational execution.

In particularly competitive markets, managing construction and development costs of stores is key. There are instances where unavoidable delays and overruns will occur due to delays by landlords in delivering leased premises to us, unforeseen engineering or environmental problems, trouble securing required government approvals and licenses, inclement weather, natural disasters, and other calamities. In these cases, we manage the overall system growth rate by ensuring we have a number of back-up sites and sufficient funds from operations to finance any incremental costs.

Our primary business strategy does not entail opening new stores that we believe may materially affect the sales at our existing stores, a large portion of our stores is still concentrated in the greater Metro Manila area. There are still many opportunities to expand beyond the usual first-tier cities and even internationally. Moreover, we may selectively open new stores in or around areas of existing stores operating at or near capacity to effectively serve our guests and create a better dining and delivery experience. This, in the long run, is beneficial to the brands and results in continued increase in sales.

RISKS IN MAINTAINING PROFITABILITY

CHANGES IN FOOD AND SUPPLY COSTS AND AVAILABILITY COULD ADVERSELY AFFECT OUR RESULTS OF OPERATIONS

Our food distributors and suppliers may be affected by higher costs to produce and transport commodities used in our stores, higher minimum wage and benefit costs, and other expenses that they pass through to their customers which could result in higher costs for goods and services supplied to us. We may not be able to anticipate and react to changing food costs through our purchasing practices and menu price adjustments in the future. As a result, any increase in the prices charged by suppliers would increase the food costs for our company-owned stores and for our franchise owners and could adversely impact profitability.

WE RELY ON KEY SUPPLIERS FOR CERTAIN RAW MATERIALS AND THE FAILURE OF THOSE SUPPLIERS TO ADHERE TO AND PERFORM CONTRACTUAL OBLIGATIONS MAY ADVERSELY AFFECT OUR BUSINESS

We rely on key suppliers for certain raw materials. Any material interruptions in our supply chain, including failure or delays in delivery, such as a material interruption of ingredient supply due to the failure of third-party distributors or suppliers or interruptions in service by common carriers that ship goods within our distribution channels and global supply chain congestion, may result in significant cost increases and impact supply, thereby reducing store sales.

Our profitability and operating margins are dependent, in part, on our ability to anticipate and react to changes in food and beverage costs, particularly the costs of key ingredients such as cheese, chicken, and potatoes. We religiously monitor prices as well as the supply and demand situation of the raw material to ensure we are adequately covered at reasonable prices. We also maintain a network of alternative distributors or suppliers who can provide contingent supply on a timely basis. Moreover, we work closely with key third-party service providers to monitor their adherence to and performance of contractual obligations.

In addition, we may choose to pass along commodity price increases to our guests as long as we continue to provide them value for their money and a high-level dining experience relative to peers at the same price point.



RISKS IN FRANCHISING

OUR RESULTS OF OPERATIONS AND GROWTH STRATEGY DEPEND, IN PART, ON THE SUCCESS OF OUR FRANCHISEES, AND WE ARE SUBJECT TO VARIOUS ADDITIONAL RISKS ASSOCIATED WITH OUR FRANCHISE OWNERS

Franchisees are independent contractors and are not our employees, and we do not exercise control over their day-to-day operations. A portion of our revenues comes from royalties and sales of raw materials and supplies and equipment to our franchisees which we expect to continue in the future. Accordingly, we are reliant on the performance of our franchise owners in successfully opening and operating their stores and paying royalties to us on a timely basis.

IF WE FAIL TO IDENTIFY, RECRUIT, AND CONTRACT WITH A SUFFICIENT NUMBER OF QUALIFIED FRANCHISE OWNERS, OUR ABILITY TO OPEN NEW FRANCHISED STORES AND INCREASE OUR REVENUES COULD BE MATERIALLY ADVERSELY AFFECTED

The opening of additional franchised stores depends, in part, upon the availability of prospective franchise owners who meet our criteria. We may not be able to identify, recruit, or contract with suitable franchise owners in our target markets on a timely basis or at all. In addition, our franchise owners may not have access to the financial or management resources that they need to open the stores contemplated by their agreements with us; or they may elect to cease store development for other reasons. If we are unable to recruit suitable franchise owners or if franchise owners are unable or unwilling to open new stores as planned, our growth may be slower than anticipated which could materially adversely affect our ability to increase our revenues, our business, financial condition, and results of operations.



We provide training and support to franchisees and oversee the quality of franchised store operations through a network of area business managers whose performance metrics are also tied to the performance of franchisees within their scope.

The strength of our brand and the industry-leading economics of our stores afford us a wide array of interested franchisees. Moreover, many of our franchise owners operate more than one store; so our growth strategy includes tapping the significant number of existing franchise owners who are interested in increasing their own network. In selecting our franchisees, we ensure that they have the business acumen and financial resources necessary to successfully operate franchises in their franchise areas in a manner consistent with our standards and requirements and that they will hire and train qualified managers and other store personnel. Our franchise agreement also adequately covers situations wherein franchisees do not meet our standards and requirements and any other disputes when they may arise.



OTHER HIGHLIGHTS



INVESTOR RELATIONS PROGRAM

Maintaining open communications and credibility with various stakeholders is a priority of Shakey's Pizza Asia Ventures, Inc. (PIZZA).

Despite the receding of the COVID-19 pandemic, headwinds continued to exist as geopolitical tensions and pressures on input costs contributed to a volatile operating landscape in 2022.

Given this environment, our job in IR was to ensure constant and timely communication with our stockholders. As such, the team kept investors informed by providing sufficient information despite the uncertainty, so that they can also make informed decisions.

Our IR team recognized that it is during these uncertain and challenging times that we need to be more visible and transparent when engaging with our investors.

Thus, we continuously updated them about critical developments and highlighted our long-term priorities and competitive strengths as we move forward and aim to start a new wave of double-digit growth with our augmented portfolio of brands.

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 both the Chairman and the CEO consistently engaged with investors and analysts. As the economy reopened, we resumed in-person meetings and conducted selected store visits to help our investors better understand our business.



Simultaneously, we also embedded ourselves in the day-to-day operations of the business. By giving insights during key decision-making sessions, the team believes that this level of involvement benefits both the company and its investors. Through our participation, we are able to relay the interests and concerns of stockholders so that they are taken into consideration whenever management makes important decisions. Our firsthand experience in delving into operations also enables us to provide investors the best information and insights as much uncertainty still remains in a post-pandemic world.

As a leader in our industry, our company believes that it should continue to be at the forefront of upholding best practices and best values, with our IR team continuing to exert our best efforts in protecting the interests of our stockholders.

PIZZA  **iR**

INVESTOR RELATIONS TEAM 2022

Myrose Victor
Dappy Tecson
Chase Gaerlan

investorrelations@shakeys.biz

HOW WE ENGAGE



GLOSSY ANNUAL REPORT



MEETINGS WITH CURRENT AND POTENTIAL INVESTORS



10 VIRTUAL CORPORATE ACCESS EVENTS



SELECTED STORE VISITS



CONFERENCE CALLS ON QUARTERLY FINANCIAL RESULTS

Apr 8: Full Year 2021 Earnings Call
May 13: First Quarter 2022 Earnings Call
Aug 10: Second Quarter 2022 Earnings Call
Nov 16: Third Quarter 2022 Earnings Call



12 PRESS RELEASES

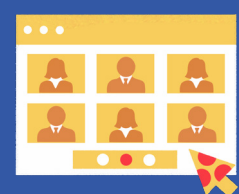


CORPORATE WEBSITE
www.shakeyspizza.ph

ATTAINMENT OF SELL-SIDE COVERAGE FROM BROKERAGES

INSTITUTION	ANALYST	LATEST CALL
BDO Securities	Rodd Vagilidad	BUY
CLSA	Joyce Ramos	BUY
COL Financial	Matthew de Leon	BUY
Credit Suisse	Hazel Tanedo	OUTPERFORM
Maybank	Alexa Carvajal	BUY
PNB	Alvin Arogo	OUTPERFORM
Regis Jefferies	Carissa Mangubat	BUY

NON-DEAL ROADSHOWS TO KEY FINANCIAL MARKET CENTERS



WELCOMING ANNUAL GENERAL MEETING



TRADITIONAL AND SOCIAL MEDIA COVERAGE

INVESTOR RELATIONS CALENDAR 2022

JANUARY

- Potato Corner Acquisition Briefing
- CLSA Corporate Access - Potato Corner
- Credit Suisse ASEAN Conference
- JP Morgan Philippine Conference

MARCH

- Macquarie ASEAN Consumer & Lifestyle Access

APRIL

- FY21 Earnings Release
- AB Capital Retail Investor Earnings Call

MAY

- 1Q22 Earnings Release

JULY

- BPI Retail Investor Conference

AUGUST

- PSE STAR Investor Day
- 2Q22 Earnings Release

OCTOBER

- 2022 AGCo Emerging & Frontier Markets Conference

NOVEMBER

- 3Q22 Earnings Release
- Regis Corporate Access Day

STOCK HIGHLIGHTS

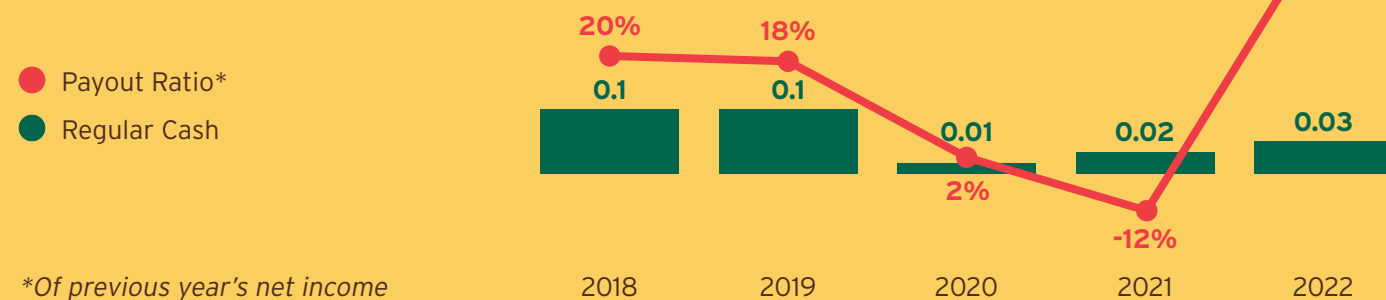
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STOCK EXCHANGE

Shakey's Pizza Asia Ventures, Inc. is a publicly listed corporation. It held its Initial Public Offering (IPO) on December 15, 2016, and is listed on the Philippine Stock Exchange (PSE) with "PIZZA" as its ticker symbol. The stock has a minimum board lot of 100 shares and no foreign ownership limit.

DIVIDEND HISTORY



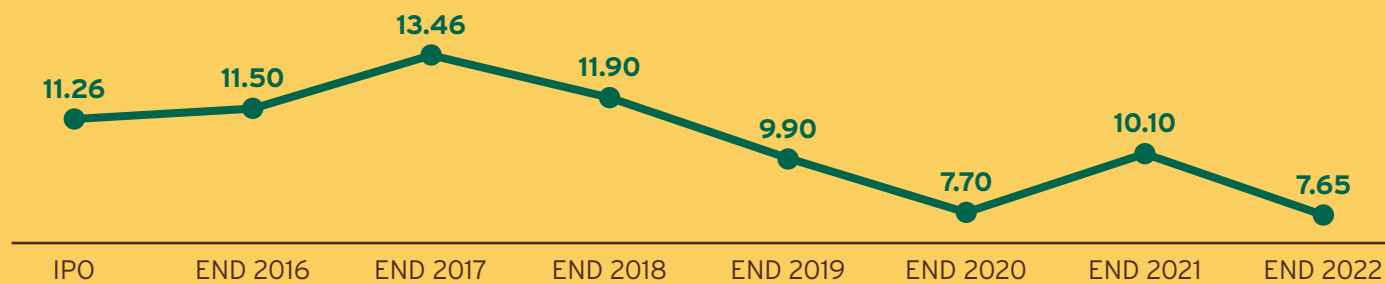
Before going public, PIZZA paid out quarterly cash dividends to its shareholders preceding the above dividends. Quarterly and special cash dividend declarations of PHP150.4 million and PHP986.9 million were approved by its Board of Directors on December 31, 2015, and June 30, 2016, respectively.

-24.3%
Year-on-Year
Return

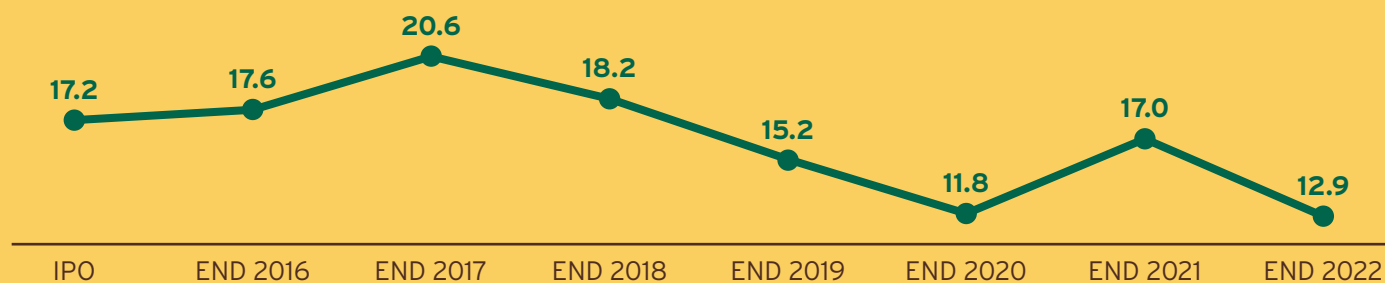
-32.1%
Increase
Since IPO

STOCK PERFORMANCE

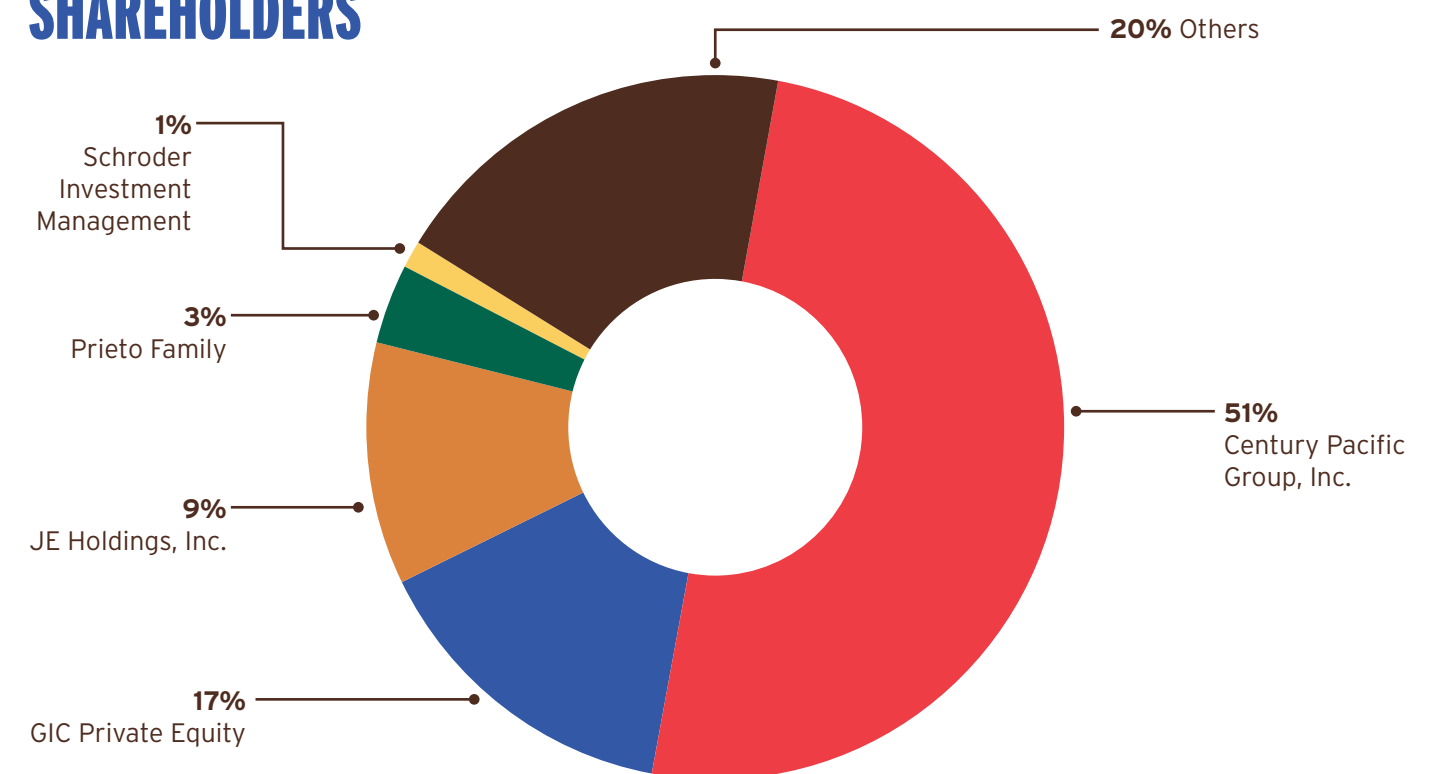
STOCK PRICE IN PHP



MARKET CAPITALIZATION IN PHP BILLIONS



SHAREHOLDERS



Source: Refinitiv, April 2023

ANNUAL STOCKHOLDERS' MEETING

In 2022, we held our Annual Stockholders' Meeting on June 20.

SHARE CAPITAL

As of end-2022, PIZZA's authorized capital was PHP 2 billion consisting of 2 billion common shares with a **PHP 1.00** par value. There were **1,683,760,178** listed, issued, and outstanding shares as of the same period.

Based on the closing price of **PHP 7.65** per share, the market capitalization of the Company's common shares as of end-2022 was **PHP 12,880,765,362**.

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:

www.shakeyspizza.ph
edge.pse.com.ph/companyInformation/form.do?cmpy_id=664



MANAGEMENT DISCUSSION & ANALYSIS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

PIZZA had consolidated total assets of ₱17.71 billion as of December 31, 2022, an increase versus total assets of ₱12.63 billion as of end-2021. This was mainly driven by the acquisition of the Potato Corner (PC) business

CASH AND CASH EQUIVALENTS

As of end-2022, cash and cash equivalents totaled ₱990 million. Cash includes cash on hand and in banks while cash equivalents are short-term, highly liquid investments that are easily convertible to cash.

TRADE AND OTHER RECEIVABLES

Trade and other receivables stood at ₱1.13 billion as of year-end 2022 compared to ₱724 million in 2021.

INVENTORIES

As of December 31, 2022, inventories increased to ₱1.00 billion from ₱433 million in 2021.

PROPERTY, PLANT, AND EQUIPMENT

Consolidated net property, plant, and equipment stood at ₱1.76 billion as of year-end 2022. Capital expenditures for the year reached ₱710 million, which were primarily invested in the building of new stores.

INTANGIBLE ASSETS

Intangible assets increased to ₱10.34 billion in 2022 from ₱7.03 billion in 2021, driven by PC trademarks and goodwill arising from the PC acquisition.

ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

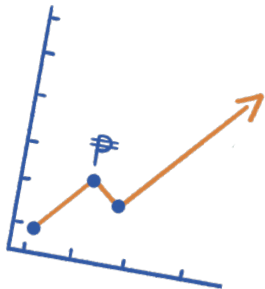
Accounts payable and other current liabilities increased to ₱2.13 billion from ₱969 million during the previous year.

LOANS PAYABLE

As of December 31, 2022, the Company's total interest-bearing debt stood at ₱5.79 billion. The outstanding loans payable by year-end 2022 primarily consists of the loan acquired prior to the Company's IPO in 2016 for the acquisition of the in-house commissary and the trademark companies holding the rights and trademarks of the Shakey's brand, as well as the loans acquired in 2022 to finance the company's expansion plans.

DEFERRED TAX LIABILITY

The deferred tax liability of ₱680 million recognized as of December 31, 2022 arose primarily from the PC acquisition.



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

PIZZA saw its full-year 2022 bottomline stand at ₱874 million, surging 611% from 2021's recorded net income after tax of ₱123 million and surpassing pre-pandemic bottomline, driven primarily by the company's strong business performance following the Philippine economic reopening.

Systemwide sales reached ₱14.09 billion, equivalent to 136% recovery of 2019 sales. PIZZA's accelerated business recovery in 2022 is fueled by the resurgence in dine-in sales due to the economic reopening, the group's store network expansion, and the acquisition of PC.

REVENUES AND SYSTEMWIDE SALES

Systemwide sales, which comprises sales from both company-owned and franchise stores, increased by 101% from ₱7.01 billion to ₱14.09 billion as of end-2022. On a same-store sales basis, excluding the impact of closed stores, sales were up 37% year-on-year.

Consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenues from wholly-owned subsidiaries, reached ₱10.14 billion, increasing by 85% from reported revenues of ₱5.48 billion for the twelve months ending December 31, 2021.

COST OF SALES

For the year ending 2022, consolidated cost of sales increased by 79% from ₱4.21 billion in 2021 to ₱7.55 billion. Consolidated cost of sales is mainly composed of raw material and packaging costs, direct labor costs, and store-related costs including rent, utilities, etc.

GROSS PROFIT

Consolidated gross profit amounted to ₱2.60 billion for the full year 2022, representing a 104% increase from the ₱1.27 billion in the previous year. This yielded a gross profit margin of 26%, a significant improvement versus the previous year's 23%.

GENERAL AND ADMINISTRATIVE EXPENSES

For the twelve months ending December 31, 2022, consolidated general and administrative expenses totaled ₱1.22 billion, representing a cost-to-sales ratio of 12%. This is lower than the cost-to-sales ratio of 15% during the same period in 2021.

OPERATING INCOME

Consolidated operating income increased by 215% from ₱436 million in 2021 to ₱1.37 billion in 2022.

NET INTEREST EXPENSE

Interest expense of ₱324 million was recorded for the twelve months ending December 31, 2022, higher than 11% compared to the 2021 figure of ₱292 million. This was mainly driven by the increase in long-term loans payable in 2022.

OTHER INCOME

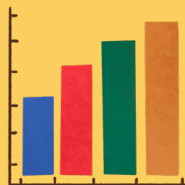
Other income totaled ₱49 million as of year-end 2022. This is composed mainly of other income from franchisees, service income, provisions and loss from store retirement. This is lower than the ₱85 million reported in 2021 as during the prior period, gains from reversal of long outstanding liabilities and gains from recovery of receivables were recognized.

NET INCOME

For the year ending 2022, consolidated net income after tax stood at ₱874 million, yielding a net income margin of 9%. This is significantly higher than the 2% margin reported in the previous period.



CONSOLIDATED STATEMENTS OF CASH FLOWS



Consolidated net cash provided by operating activities amounted to ₱1.62 billion for the full year 2022, an improvement of 64% versus the previous year's ₱986 million.

Consolidated net cash used in investing activities was ₱2.53 billion. This is mainly attributable to the PC acquisition and capital expenditures for new store openings.

Consolidated net cash provided by financing activities was ₱1.42 billion in 2022, which includes loan proceeds net of financing costs and dividend payments.

All in all, cash increased ₱504 million for the year, leading to cash and cash equivalents balance of ₱990 million at year-end 2022.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of SHAKEY'S PIZZA ASIA VENTURES, INC. and SUBSIDIARIES (the Group) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein as at December 31, 2022 and 2021, and each of the three years in the period ended December 31, 2022, 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 Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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


CHRISTOPHER T. PO
CHAIRMAN OF THE BOARD


LEONARDO ARTHUR T. PO
TREASURER


VICENTE L. GREGORIO
PRESIDENT & CEO



INDEPENDENT AUDITOR'S REPORT

THE STOCKHOLDERS AND THE BOARD OF DIRECTORS

Shakey's Pizza Asia Ventures Inc.
15Km East Service Road corner Marian Road 2
Barangay San Martin de Porres, Parañaque City 1700

OPINION

We have audited the consolidated financial statements of Shakey's Pizza Asia Ventures, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2022 and 2021, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2022, and 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 consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2022 in accordance with Philippine Financial Reporting Standards (PFRSs).

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

BASIS FOR OPINION

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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.



IMPAIRMENT ASSESSMENT OF GOODWILL AND TRADEMARKS

Under Philippine Accounting Standards 36, Impairment of Assets, the Group is required to annually test for impairment the amount of goodwill and trademarks with indefinite life. The Group's goodwill amounting Php 1,324.85 million and trademarks with indefinite life amounting to Php 8,759.35 million, are considered significant to the consolidated financial statements since these account for 57% of the Group's total consolidated assets. In addition, management's assessment requires significant judgment and is based on assumptions, specifically forecasted long-term revenue growth rate operating expenses, gross margin and discount rate. These assumptions are also subject to higher level of estimation uncertainty depending on the current and future outlook on economic conditions.

The Group's disclosures about goodwill and trademarks with indefinite life are included in Notes 6 and 14 to the consolidated financial statements.

AUDIT RESPONSE

We obtained an understanding of the Group's impairment assessment process and related controls. We involved our internal specialist in evaluating the methodologies and the assumptions used. These assumptions include forecasted long-term revenue growth rate, operating expenses, gross margin and discount rate. We compared the key assumptions used, such as forecasted long-term revenue growth rate, operating expenses and gross margin against the historical performance of the cash generating units and other relevant external data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the Group's disclosure about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill and trademarks.

ACCOUNTING FOR THE ACQUISITION OF THE POTATO CORNER BUSINESS

On March 5, 2022, the Group acquired the Potato Corner business. This transaction is a key audit matter as the amounts involved are material to the consolidated financial statements and management judgment is required to determine whether the transaction has met the requirements of a business acquisition. The transaction also involves significant judgments and estimates in the identification and determination of the fair values of the assets and liabilities acquired, key inputs, such as revenue growth and discount rates related to the valuation of the trademark and the allocation of the purchase price to these assets and liabilities.

The Group disclosed the details of the acquisition of the business in Note 6 to the consolidated financial statements.

AUDIT RESPONSE

We obtained and reviewed the related documents, including any arrangements entered into in connection with the transaction. We reviewed management's analysis and assessment of the transaction and reviewed the purchase price allocation prepared by the Group. We also involved our internal specialists in reviewing the valuation methodology and key inputs, such as revenue growth and discount rates related to the valuation of the trademark. We compared the revenue growth to the historical performance of the Potato Corner business and industry data. We tested the parameters used in the determination of the discount rate against market data. We also reviewed the disclosures in the notes to the consolidated financial statements.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the information included in the SEC Form 17-A for the year ended December 31, 2022, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to date of this auditor's report, and the SEC Form 20 IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2022, which are expected to be made available to us after that date.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the

consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

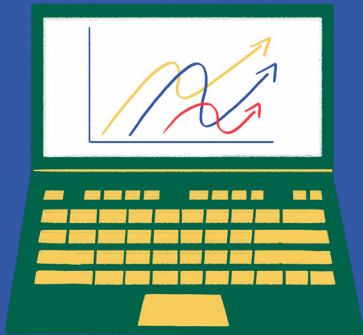
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement,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

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

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

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 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 Christine G. Vallejo.

SYCIP GORRES VELAYO & CO.

Christine J. Vallejo
CHRISTINE G. VALLEJO
PARTNER

CPA Certificate No. 99857

Tax Identification No. 206-384-906

BOA/PRC Reg. No. 0001

August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 99857-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-105-2022

November 7, 2022, valid until November 6, 2025

PTR No. 9566010

January 3, 2023, Makati City

April 13, 2023



FINANCIAL STATEMENTS



SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31	
in PHP	2022	2021
ASSETS		
Current Assets		
Cash	989,578,790	485,414,521
Trade and other receivables	1,133,066,392	723,983,367
Financial assets at fair value through profit or loss	-	300,000,000
Inventories	1,001,114,060	432,876,226
Prepaid expenses and other current assets	730,884,353	187,556,789
Total Current Assets	3,854,643,595	2,129,830,903
Noncurrent Assets		
Property and equipment	1,764,723,405	1,373,563,312
Intangible assets	10,339,886,416	7,034,324,209
Right-of-use assets	1,443,780,579	1,231,516,139
Deferred input value-added tax	9,653,323	28,234,552
Deferred tax assets - net	25,566,418	247,956,292
Other noncurrent assets	270,164,541	589,287,521
Total Noncurrent Assets	13,853,774,682	10,504,882,025
TOTAL ASSETS	17,708,418,277	12,634,712,928
LIABILITIES & EQUITY		
Current Liabilities		
Short-term loans payable	500,000,000	-
Accounts payable and other current liabilities	2,132,213,295	968,634,979
Current portion of:		
Long-term loans payable	47,932,514	47,986,963
Contract liabilities	13,445,337	18,965,155
Lease liabilities	58,902,122	92,010,032
Income tax payable	52,155,804	1,557,290
Total Current Liabilities	2,804,649,072	1,129,154,419
Noncurrent Liabilities		
Noncurrent portion of:		
Long-term loans payable	5,242,625,440	3,692,570,991
Lease liabilities	1,641,116,052	1,388,726,488
Contract liabilities	61,226,844	63,232,658
Accrued pension costs	86,599,794	96,260,947
Dealers' deposit and other non current liabilities	146,635,403	83,979,903
Deferred tax liabilities - net	679,788,566	-
Total Noncurrent Liabilities	7,857,992,099	5,324,770,987
Total Liabilities	10,662,641,171	6,453,925,406
Equity		
Capital stock	1,683,760,178	1,683,760,178
Additional paid-in capital	2,451,116,470	2,451,116,470
Retained earnings	2,877,362,495	2,053,473,219
Other components of equity	33,537,963	(7,562,345)
Total Equity	7,045,777,106	6,180,787,522
TOTAL LIABILITIES AND EQUITY	17,708,418,277	12,634,712,928

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31			
	2022	2021	2020
REVENUE FROM CONTRACTS WITH CUSTOMERS	10,142,024,578	5,480,427,588	5,296,771,546
COST OF SALES	(7,546,508,401)	(4,206,711,163)	(4,364,157,309)
GROSS INCOME	2,595,516,177	1,273,716,425	932,614,237
GENERAL AND ADMINISTRATIVE EXPENSES	(1,222,810,270)	(837,345,396)	(972,712,600)
INTEREST EXPENSE	(323,971,110)	(292,179,579)	(333,303,573)
INTEREST INCOME	504,702	1,276,273	2,886,826
OTHER INCOME - NET	49,175,399	85,211,847	2,003,935
INCOME (LOSS) BEFORE INCOME TAX	1,098,414,938	230,679,570	(368,511,175)
PROVISION FOR INCOME TAX			
Current	140,130,584	24,222,135	73,691,665
Deferred	83,882,273	83,477,277	(188,613,552)
	224,012,857	107,699,412	(114,921,887)
NET INCOME (LOSS)	874,402,081	122,980,158	(253,589,288)
OTHER COMPREHENSIVE INCOME (LOSS)			
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods (net of tax)	54,741,546	75,856,746	-21,826,279
- Actuarial gain (loss) on defined benefit obligation			
Tax effect	(13,641,238)	(18,738,959)	6,586,418
	41,100,308	57,117,787	(15,239,861)
TOTAL COMPREHENSIVE INCOME (LOSS)	915,502,389	180,097,945	(268,829,149)
Basic and Diluted Earnings (Loss) Per Share	0.52	0.08	-0.17

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For The Years Ended December 31, 2022, 2021 And 2020

in PHP	Capital Stock	Additional Paid-in Capital	Retained Earnings	Other Components of Equity	Total
Balances at January 1, 2022	1,683,760,178	2,451,116,470	2,053,473,219	(7,562,345)	6,180,787,522
Total comprehensive income	-	-	874,402,081	(41,100,308)	(915,502,389)
Cash dividends	-	-	(50,512,805)	-	(50,512,805)
Balances at December 31, 2022	1,683,760,178	2,451,116,470	2,877,362,495	33,537,963	7,045,777,106
Balances at January 1, 2022	1,531,321,053	1,353,554,797	1,964,168,269	(64,680,132)	4,784,363,987
Issuance of new shares	152,439,125	1,097,561,673	-	-	1,250,000,798
Total comprehensive income	-	-	122,980,158	57,117,787	180,097,945
Cash dividends	-	-	(33,675,208)	-	(33,675,208)
Balances at December 31, 2021	1,683,760,178	2,451,116,470	2,053,473,219	(7,562,345)	6,180,787,522
Balances at January 1, 2022	1,531,321,053	1,353,554,797	2,233,070,767	(49,440,271)	5,068,506,346
Total comprehensive income	-	-	(253,589,288)	(15,239,861)	(268,829,149)
Cash dividends	-	-	(15,313,210)	-	(15,313,210)
Balances at December 31, 2020	1,531,321,053	1,353,554,797	1,964,168,269	(64,680,132)	4,784,363,987

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31			
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax	1,098,414,938	230,679,570	(368,511,175)
Adjustments for:			
Depreciation and amortization	636,955,383	499,875,646	497,433,459
Interest expense	323,971,110	292,179,579	333,303,573
Provision for (reversal of) legal and other contingencies - net	11,394,323	(1,353,452)	34,779,970
Movement in pension costs	45,080,393	40,879,361	31,101,754
Loss (gain) on:			
Disposal of property and equipment	(67,336)	121,143	18,749,687
Pre-terminations of leases	(18,323,273)	(10,529,566)	(14,584,239)
Disposal of inventories	2,630,006	12,250,140	(5,498,534)
Accretion income	(2,000,871)	(3,023,323)	(4,243,006)
Interest income	(504,742)	(1,276,273)	(2,886,826)
Unrealized foreign exchange loss (gain)	(2,212,953)	(247,925)	332,437
Fair value gain on financial assets at fair value through profit or loss (FVPL)	(404,374)	(1,949,288)	(589,306)
Gain on reversal of liabilities	-	(24,682,991)	-
Income before working capital changes	2,094,932,604	1,032,922,621	519,387,794
Decrease (Increase) in:			
Trade and other receivables	(409,083,025)	(173,290,549)	148,478,925
Inventories	(570,867,840)	(184,794)	37,684,338
Prepaid expenses and other current assets	(559,930,385)	(11,085,299)	14,740,059
Deferred input value-added tax	18,581,229	20,189,422	19,539,898
Increase (Decrease) in:			
Accounts payable and other current liabilities	1,128,018,038	191,067,983	(195,597,433)
Contract liabilities	(10,737,004)	(11,172,587)	(23,430,428)
Cash generated from operations	1,690,913,617	1,048,446,797	520,803,153
Income taxes paid (including creditable withholding taxes)	(72,929,249)	(63,556,930)	(175,974,315)
Interest received	504,742	1,276,273	2,886,826
Net cash provided by operating activities	1,618,489,110	986,166,140	347,715,664
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash acquired from business combination	20,503,549	-	-
Acquisition of:			
Property and equipment	(710,050,093)	(280,137,822)	(167,168,602)
Financial assets at FVPL	-	(300,000,000)	(120,000,000)
Trademark	(405,000,000)	(1,243,186)	-
Software	(56,556,757)	-	(85,158,730)
Franchise right	(2,884,236)	-	(4,964,977)
Subsidiaries	(2,063,923,182)	-	-
Proceeds from:			
Redemption of financial assets at FVPL	300,404,374	121,949,288	120,589,306
Disposal of property and equipment	181,013	123,547	10,455,402
Decrease (increase) in other noncurrent assets	321,123,851	(409,172,651)	(5,432,721)
Increase (decrease) in dealers' deposits and other noncurrent liabilities	62,655,500	42,739,353	(5,368,235)
Net cash used in investing activities	(2,533,545,981)	(825,741,471)	(257,048,557)

YEARS ENDED DECEMBER 31

2022 2021 2020

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from availment of:			
Short-term loans	500,000,000	-	1,500,000,000
Long-term loans	1,600,000,000	-	-
Issuance of capital stock	-	1,250,000,798	-
Payments of:			
Lease liabilities	(360,864,550)	(204,302,941)	(203,225,951)
Short-term loans	-	(1,050,000,000)	(1,000,000,000)
Interest	(221,614,458)	(194,954,854)	(221,822,567)
Dividends	(50,512,805)	(33,675,208)	(15,313,210)
Long-term loans	(50,000,000)	(50,000,000)	(50,000,000)
Net cash provided by (used in) financing activities	1,417,008,187	(282,932,205)	9,638,272
NET INCREASE (DECREASE) IN CASH	501,951,316	(122,507,536)	100,305,379
EFFECT OF EXCHANGE RATE CHANGES ON CASH	2,212,953	247,925	(332,437)
CASH AT BEGINNING OF YEAR	485,414,521	607,674,132	507,701,190
CASH AND CASH EQUIVALENTS AT END OF YEAR	989,578,790	485,414,521	607,674,132

"Disclaimer: The complete set of the consolidated financial statements, including the notes, are covered by the independent auditor's report and are made available to all shareholders through the definitive information statement for the annual stockholders' meeting on June 20, 2023. The consolidated financial statements should be read in conjunction with the notes. A copy of the full set of the consolidated financial statements may be downloaded through the Company's website (www.shakeypizza.ph)"



SUSTAINABILITY DATA SUMMARY

ECONOMIC

Economic Value Generated	UOM	2022
Direct economic value generated (revenues)	million PHP	10,191
Economic value distributed		9,114
Employee wages and benefits		1,264
Payments to suppliers, workers, and other operating costs ¹		7,407
Dividends paid to stockholders and interest payments to loan providers		272
Taxes given to government		171
Economic value retained		1,077

PROCUREMENT PRACTICES

	UOM	2021	2022
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	%	86%	82% ²

¹ Value includes all other operating costs and investments to community such as donations and CSR activities.

² Potato Corner is currently excluded from this disclosure.

SOCIAL

EMPLOYEES

Employees By Gender	UOM	2021			2022		
		Male	Female	Total	Male	Female	Total
Full-Time Employees	Head/% Of Total	728 (56%)	571 (44%)	1,299 (100%)	861 (50%)	863 (50%)	1,724 (100%)
Executive/Senior leaders	head	4	0	4	8	2	10
Mancom		17	10	27	18	20	38
Middle Management		34	31	65	46	71	117
Frontline Leaders		280	267	547	407	416	823
Rank and File		393	263	656	382	354	736

Employees By Age	UOM	2021			2022		
		<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
Full-Time Employees	Head/% Of Total	412 (32%)	847 (65%)	40 (3%)	515 (30%)	1,153 (67%)	56 (3%)
Executive	head	Not disclosed			0	4	6
Mancom					3	25	10
Middle Management					13	91	13
Frontline Leaders					216	594	13
Rank and File					283	439	14

		Male	Female	Total	Male	Female	Total
New Hires	Head/% Of Total	140 (60%)	95 (40%)	235 (100%)	169 (50%)	170 (50%)	339 (100%)
New hire rate	head	18%			20%		

WORKERS

	UOM	2021	2022
Total	head	2,215	3,759

Jobs Supported		2021	2022
Jobs supported across the CNPF value chain ³	number	6,042	8,858

³ This figure includes company-owned restaurant and corporate support employees and workers, as well as those whose jobs are indirectly supported through our business relationships such as our franchised staff, store riders, participants from our inclusive hiring programs, call center agents, and maintenance and utilities staff.

DIVERSITY AND EQUALITY - GOVERNANCE BODIES

Board of Directors	UOM	2021			2022		
		Male	Female	Total	Male	Female	Total
By Gender	Head/% Of Total	8 (89%)	1 (11%)	9 (100%)	8 (89%)	1 (11%)	9 (100%)

		<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
By Age	Head/% Of Total	0 (0%)	2 (22%)	7 (78%)	0 (0%)	2 (22%)	7 (78%)

PARENTAL LEAVE - MATERNITY AND PATERNITY LEAVE

	UOM	2022	
		Male	Female
Employees entitled to parental leave	head	12	42
Employees that took parental leave		9	41
Employees that returned to work within reporting period		9	40
Employees still employed 12 after their return to work		9	40

TRAINING AND DEVELOPMENT

	UOM	2022		
		Male	Female	Total
Average training hours per employee	hours	60	70	65
Executive		23	16	21
Senior manager		48	37	42
Middle manager		33	37	35
Supervisor		112	127	120
Rank and File		9	12	10

ANTI-CORRUPTION

	UOM	2021	2022
Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to	%	100	100
Percentage of business partners to whom the organization's anti-corruption policies and procedures have been communicated to	%	100	100
Percentage of directors and management that have received anti-corruption training	%	100	100
Total number and nature of confirmed incidents of corruption	number	0	0

ENVIRONMENT

In 2022, the Philippine economy began to reopen as the pandemic started to dissipate. Restaurant operating conditions varied significantly from the previous two years. We have also continued to invest in our brands, adding Potato Corner to our roster. Furthermore, we improved the capability of our stores, whether company-owned or franchised, to track, measure, and report their environmental performance and capture a more representative view of our environmental impact. Given these factors, we opted to omit previous years' data points.

	UOM	2022
Energy⁴		
Non-renewable (total)	GJ	97,958,127
Gasoline	GJ	25,339
LPG	GJ	97,757,925
Diesel	GJ	2,596
Electricity	KWh	172,266
Renewable (total)	GJ	0
Energy intensity (per million Php) ⁵	GJ/million Php	6,954
Water⁴		
Water consumption	CBM	502,517
Water discharge	CBM	279,171
Water withdrawal	CBM	781,688
Water intensity (per million Php) ⁵	CBM/million Php	55.49
Emissions^{4&6}		
GHG emissions (Scope 1 and 2)	tCO2e	6,204,553
GHG emissions (Scope 1)	tCO2e	6,170,473
GHG emissions (Scope 2)	tCO2e	34,080
GHG emissions intensity (per million Php) ⁵	tCO2e/million Php	440
Materials used⁷		
Renewable	MT	25,892
Non-renewable	MT	400 ⁷

	UOM	2022
Waste⁸		
Total waste generated	kg	164,690
Total waste diverted from disposal	kg	36
Total waste directed to disposal	kg	164,654
Non-hazardous/solid waste (total)	kg	164,690
<i>By method</i>		
Disposed		
Incineration	kg	0
Landfilled	kg	164,654
Other disposal operations	kg	0
Diverted		
Preparation for reuse	kg	0
Recycling	kg	36
Other recovery operations, including composting	kg	0
<i>By location</i>		
Onsite recovery operation	kg	
Offsite recovery operation	kg	36
Onsite disposal operation	kg	
Offsite disposal operation	kg	164,654

⁴ Figures were calculated with the intention of offering a fair representation of energy, water, and emissions data across all PIZZA businesses. This was achieved through a mix of using actual and estimated figures. All Shakey's and Peri-Peri company-owned and franchised stores, and R&B, Project Pie, and Potato Corner company-owned stores directly measured and reported data. We also continue to integrate and build capacity in Potato Corner, a primarily franchised business, to improve data collection moving forward. In the meantime, Potato Corner's franchise energy, water, and emissions were estimated by using company-owned stores' data as baseline.

⁵ Intensity figures are computed based on systemwide sales in millions of PHP, covering both company-owned and franchise sales across the entire PIZZA business.

⁶ 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 gasses reported include carbon dioxide, methane, and nitrous oxide.

⁷ Materials data include ingredients and supplies procured for all PIZZA businesses, including company-owned and franchised stores. Renewable materials mainly consist of our food items and paper packaging. Non-renewable materials cover our non paper-based packaging and exclude fuel sources.

⁸ All of Potato Corner (both company-owned and franchises) and all Peri-Peri franchises are excluded from the scope of this disclosure. This reporting year, we were able to collect food waste data. We are also improving our data collection systems and training our people to measure hazardous waste data moving forward.



CONTENT INDICES FOR SUSTAINABILITY DISCLOSURES



PHILIPPINE SEC FORM 17-A CONTENT INDEX

This report complies with the Philippine Stock Exchange Sustainability Reporting Guidelines for Publicly Listed Companies.

CONTEXTUAL INFORMATION	LOCATION AND ADDITIONAL INFORMATION
Name of Organization	Shakey's Pizza Asia Ventures, Inc. (PIZZA)
Location of Headquarters	Philippines
Locations of Operations	Philippines
Report Boundary	Corporate Support Office and all primary businesses - Shakey's Pizza, Peri-Peri, R&B, Project Pie, and Potato Corner This includes all our company-owned stores, warehouses, and corporate support offices operating in the Philippines. For franchisees, both local and global, disclosures will indicate if these are covered.
Business Model, including Primary Activities, Brands, Products, and Services	Full-service restaurant chain, specializing in casual dining
Reporting Period	January 1, 2022 - December 31, 2022
Highest Ranking Person responsible for this report	Christopher Po, Chairman
Contact for questions regarding the report	Investor Relations, investorrelations@shakeys.biz
"COMPLY OR EXPLAIN" PROVISIONS	
Materiality Process	OUR SUSTAINABILITY COMMITMENT AND FOCUS - Materiality Process
	CREATING IMPACT ACROSS OUR BUSINESS
Economic: Economic Performance Direct Economic Value Generation and Distributed	OUR SUSTAINABILITY COMMITMENT AND FOCUS - Governing and Operationalizing Sustainability SUSTAINABILITY DATA SUMMARY SEC 17-A 2022 Annual Report - Management's Discussion and Analysis or Plan of Operation
Economic: Economic Performance Climate-related risks and opportunities	PLANET - Environmental Impact Management SUSTAINABILITY DATA SUMMARY
Economic: Procurement Practices Proportion of spending on local suppliers	SUPPLY CHAIN MANAGEMENT - Local Sourcing SUSTAINABILITY DATA SUMMARY

CONTEXTUAL INFORMATION	LOCATION AND ADDITIONAL INFORMATION
"COMPLY OR EXPLAIN" PROVISIONS	
Economic: Anti-corruption Training on Anti-corruption Policies and Procedures, Incidents of Corruption	ANTI-CORRUPTION SUSTAINABILITY DATA SUMMARY
Environment: Resource Management Energy consumption within the organization, Reduction of energy consumption, Water consumption within the organization, Materials used by the organization	PLANET - Natural Resource Efficiency, Environmental Impact Management SUSTAINABILITY DATA SUMMARY
Environmental: Environmental Impact Management Air Emissions, Solid and Hazardous Wastes	PLANET - Natural Resource Efficiency, Environmental Impact Management SUSTAINABILITY DATA SUMMARY
Social: Employee Management Employee Hiring and Benefits, Employee Training and Development, Labor-Management Relations, Diversity and Equal Opportunity	PEOPLE - Employees SUSTAINABILITY DATA SUMMARY
Social: Workplace Conditions, Labor Standards, and Human Rights Occupational Health and Safety, Labor Laws and Human Rights	PEOPLE - Workplace Culture and Environment SUSTAINABILITY DATA SUMMARY
Social: Supply Chain Management	SUPPLY CHAIN MANAGEMENT SUSTAINABILITY DATA SUMMARY
Social: Relationship with Community Significant Impacts on Local Communities	PEOPLE - Community Engagement



GRI CONTENT INDEX

Together with available public information listed below, this report references Global Reporting Initiative Standards as summarized in the following table.

GRI STANDARDS		LOCATION OF DISCLOSURE IN THIS REPORT	ADDITIONAL REFERENCES/REMARKS
GRI 1	Foundation		
GRI 2	General Disclosures		
2-1	Organizational details	The Shakey's Business & Our Growth Ambition Our Business Presence Stock Highlights	p. 20 p. 40 p. 91
2-2	Entities included in the organization's sustainability reporting	About this Report (About the Cover) About this Chapter	p. 57
2-3	Reporting period, frequency, and contact point	About this Report (About the Cover) About this Chapter	p. 57
2-6	Activities, value chain and other business relationships	The Shakey's Business & Our Growth Ambition CREATING IMPACT ACROSS OUR BUSINESS	p. 20 p. 53
2-7	Employees	PEOPLE - Employees SUSTAINABILITY DATA SUMMARY	p. 58 p. 104
2-8	Workers who are not employees	PEOPLE - Employees SUSTAINABILITY DATA SUMMARY	p. 58 p. 104
2-9	Governance structure and composition	The Leadership Team Composition of the Board of Directors Committees of the Board of Directors	p. 8 p. 76 p. 78
2-10	Nomination and selection of the highest governance body		
2-11	Chair of the highest governance		
2-12	Role of the highest governance body in overseeing the management of impacts	OUR SUSTAINABILITY COMMITMENT AND FOCUS - Governing and Operationalizing Sustainability Corporate Governance	p. 48, 51 p. 74
2-13	Delegation of responsibility for managing impacts		
2-14	Role of the highest governance body in sustainability report		
2-15	Conflicts of interest	Code of Business Conduct & Ethics	Corporate Information p. 82
2-16	Communication of critical concerns	Committees of the Board of Directors	p. 78
2-17	Collective knowledge of the highest governance body	Composition of Board of Directors	p. 76
2-19	Remuneration practices	Composition of the Board of Directors Committees of the Board of Directors	p. 76 p. 78 SEC 17-A Annual Report 2022 - Executive Compensation
2-20	Process to determine remuneration		
2-22	Statement on sustainable development strategy	A Message from our Chairman & CEO Our Sustainability Commitment and Focus	p. 2, 4 p. 48
2-23	Policy commitments	Code of Business Conduct & Ethics	Corporate Information p. 82
2-24	Embedding policy commitments		
2-25	Processes to remediate negative impacts	HOW WE ENGAGE	p. 55
2-26	Mechanisms for seeking advice and raising concerns		

2-27	Compliance with laws and regulations	HOW WE ENGAGE PEOPLE: EMPLOYEES - Workplace Culture and Environment PLANET: SUPPLY CHAIN MANAGEMENT - Supplier Credibility PIZZA - Food quality and safety	p. 55 p. 62 p. 69 p. 71
2-29	Approach to stakeholder engagement	HOW WE ENGAGE	p. 55
2-30	Collective bargaining agreements	PEOPLE: EMPLOYEES - Workplace Culture and Environment	p. 62
GRI 3	Material Topics		
3-1	Process to determine material topics	OUR SUSTAINABILITY COMMITMENT AND FOCUS - Materiality Process, Sustainability Framework, Governance and Operationalizing Sustainability PEOPLE PLANET PIZZA	p. 49, 51 p. 58 p. 65 p. 70
3-2	List of material topics		
3-3	Management of Material topics		
GRI 200	Economic Disclosures		
GRI 201	Economic Performance		
201-1	Direct economic value generated and distributed	2022 at a Glance SUSTAINABILITY DATA SUMMARY	p. 39 p. 104
201-3	Defined benefit plan obligations and other retirement plans		SEC 17-A Annual Report 2022 - Retirement Plan Obligations
GRI 203	Indirect Economic Impacts		
203-2	Significant indirect economic impacts	PEOPLE - Community Engagement	p. 64
GRI 204	Procurement Practices		
204-1	Proportion of spending on local suppliers	SUPPLY CHAIN MANAGEMENT - Local Sourcing SUSTAINABILITY DATA SUMMARY	p. 69 p. 104
GRI 205	Anti-corruption		
205-1	Operations assessed for risks related to corruption	ANTI-CORRUPTION There were zero (0) incidents of corruption during the reporting period.	p. 83
205-2	Communication and training about anti-corruption policies and procedures		
205-3	Confirmed incidents of corruption and actions taken		
GRI 206	Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There were zero (0) incidents of legal action during the reporting period.	
GRI 300	Environmental Disclosures		
GRI 301	Materials		
301-1	Materials used by weight or volume	PLANET - Landfill Waste Reduction, Net Zero Plastic Waste SUSTAINABILITY DATA SUMMARY	p. 67, 68 p. 104
GRI 302	Energy		
302-1	Energy consumption within the organization	PLANET - Energy Consumption Reduction, Greenhouse Gas Emissions SUSTAINABILITY DATA SUMMARY	p. 66, 67
302-3	Energy intensity		p. 104

GRI 303 Water and Effluents			
303-2	Management of water discharge-related impacts	PLANET - Water Consumption Reduction SUSTAINABILITY DATA SUMMARY	p. 65 p. 104
303-3	Water withdrawal		
303-4	Water discharge		
303-5	Water consumption		
GRI 305 Emissions			
305-1	Direct (Scope 1) GHG emissions	PLANET - Greenhouse Gas Emissions SUSTAINABILITY DATA SUMMARY	p. 67 p. 104
305-2	Energy indirect (Scope 2) GHG emissions		
305-4	GHG emissions intensity		
GRI 306 Waste			
306-1	Waste generation and significant waste-related impacts	PLANET - Landfill Waste Reduction, Plastic Neutrality SUSTAINABILITY DATA SUMMARY	p. 67, 68 p. 104
306-2	Management of significant waste-related impacts		
306-3	Waste generated		
306-4	Waste diverted from disposal		
306-5	Waste directed to disposal		
GRI 400 Social Disclosures			
GRI 401 Employment			
401-1	New employee hires and employee turnover	PEOPLE: EMPLOYEES - Talent Acquisition and Management SUSTAINABILITY DATA SUMMARY	p. 59 p. 104
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	PEOPLE: EMPLOYEES - Employee Engagement	p. 61
401-3	Parental leave	SUSTAINABILITY DATA SUMMARY	p. 104
GRI 403 Occupational Health and Safety			
403-1	Occupational health and safety management system	PEOPLE: EMPLOYEES - Workplace Culture and Environment	p. 62
403-2	Hazard identification, risk assessment, and incident investigation		
403-5	Worker training on occupational health and safety		
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
GRI 404 Training and Education			
404-1	Average hours of training per year per employee	PEOPLE: EMPLOYEES - Talent Acquisition and Management SUSTAINABILITY DATA SUMMARY	p. 49 p. 104
404-2	Programs for upgrading employee skills and transition assistance programs		
404-3	Percentage of employees receiving regular performance and career development reviews		
GRI 405 Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	PEOPLE: EMPLOYEES - Diversity and Inclusion SUSTAINABILITY DATA SUMMARY	p. 58 p. 104

GRI 406 Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	There were zero (0) incidents of discrimination during the reporting period.	
GRI 413 Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	SUPPLY CHAIN MANAGEMENT - Local Sourcing PEOPLE: COMMUNITY ENGAGEMENT - Job Creation and Livelihood Support	p. 69 p. 64
GRI 416 Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	PIZZA – Food quality and safety There were zero (0) incidents of non-compliance during the reporting period.	p. 71
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		
GRI 417 Marketing and Labeling			
417-2	Incidents of non-compliance concerning product and service information and labeling	There were zero (0) incidents of non-compliance during the reporting period.	
417-3	Incidents of non-compliance concerning marketing communications	There were four (4) minor incidents of non-compliance with regards to marketing communications during the reporting period - all of which have been resolved.	
GRI 418 Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were zero (0) incidents of substantiated complaints on customer privacy during the reporting period.	



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