



PROJECT
PIE



R&B巡茶



SuperCHARGED, SuperWOW!

SUSTAINABILITY AND ANNUAL REPORT 2023
SHAKEY'S WOW! BRANDS

About the Cover

SUPERCHARGED, SUPERWOW!

While concerns on the pandemic have taken a back seat, 2023 came with its own set of challenges. It was a year shadowed by persistent inflation and dampening consumer sentiment. Supply chain challenges continued, and higher input costs persisted.

Be that as it may, we pressed on and navigated the landscape as entrepreneurs, maximizing opportunities and strengthening our portfolio to deliver long-term, sustainable growth.

From a single brand in 2019, we have emerged from the pandemic as a multi-brand portfolio that not only enables us to reach more guests and provide them with more choices, but also allows the Group to benefit from synergies, unlocking more value as we grow.

We are committed to growing the business sustainably and responsibly, and supported by our portfolio composed of our WOW! Brands, we expect the Group to be able to grow double-digit year-on-year.

Guided by our ethos to 'WOW' our guests and stakeholders, we embark on this journey of supercharged growth with our synergized portfolio.



ABOUT THE REPORT

This annual and sustainability report provides information on the consolidated financial, economic, environmental, social, and governance performance of Shakey's Pizza Asia Ventures Inc., ("PIZZA") from January to December 2023, in alignment with our financial year.

In the sustainability chapter, 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, commissaries 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 Shakey's International stores, which account for only 1% of our sales and store network, are excluded from the sustainability chapter.

PIZZA has prepared its sustainability disclosures and annual report with reference to the latest 2021 GRI Standards. As part of our ongoing commitment to inspire our stakeholders to contribute to sustainable development, we continue to share not only our progress and opportunities, but also our challenges and learnings. We continue to improve our data collection systems every year to further improve the accuracy, depth, completeness, and comparability of our disclosures.

The report will be distributed primarily in digital format. Please visit www.shakeysgroup.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 report, please contact PIZZA Investor Relations at investorrelations@shakeys.biz.



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Get to Know Shakey's



A Message from Our Chairman

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INCLUSIVE CAPITALISM: GROWING THE PIE AND DIVIDING UP THE SLICES

At PIZZA, it is our primary aspiration to build a food service and restaurant business that can compound at a double-digit rate year-in and year-out over the foreseeable future. Since we are a pizza company, I personally imagine this as growing a metaphorical pizza pie so that there's more to share when we divvy up the slices.

In a country like the Philippines, where the GDP grows at 5% to 7% a year, with an economy that is consumption-led and has a growing middle class, this type of double-digit growth ambition is realistic and feasible in my opinion.

Zooming out to take a bird's eye view of the business and how it has grown since 2003, indeed, the business has had 16 years of uninterrupted double-digit growth. Over this period, the Shakey's brand became the leader in both the full-service chain restaurant and the full-service pizza chain restaurant categories, with our growth run abruptly disturbed only by the COVID pandemic in 2020 when the business cratered. The good news is that we have now re-booted and have started on a new growth run - this time, as a multi-brand platform.

The strategy to transform into a multi-brand enterprise has many merits. As the company grows in scale, each percentage point of growth becomes harder to deliver. In today's more competitive environment, it is improbable for a single brand to consistently deliver annual double-digit growth.

Apart from having additional growth levers, a multi-brand company also creates synergies in areas like rent, supply chain, IT, marketing, talent management, and so forth. In addition, with different brands, we can aim to serve different sub-markets, diversify the risk of exposure to a larger set of food commodities where the volatility of prices can cancel each other out, and have the portfolio effect of making the entire business more **resilient**. This puts the enterprise in a better position to deliver our annual double-digit ambition of growing the pie - through thick and thin!

And grow the business, the team did again. In 2023, PIZZA systemwide sales grew by 32% to Php18.6 billion, supported by a 20% expansion in our network, which translates to 369 new units for the year. Our Group now operates in 16 territories outside the Philippines, such that international stores and outlets now comprise 13% of our 2,141 global network. We are pleased that our growth extends to our foray into new territories such as China and Malaysia where our new units are performing better than expected. Finally, despite a persisting inflationary environment and the high base from the 2022 reopening, the Group's net income increased by 23% to Php1.1 billion. Most important is that during the year, we've made considerable strides in strengthening the organization and systems that will support sustainable double-digit growth in years to come.

As exciting as the challenge is to build the business, our PIZZA leadership team is equally motivated by the idea of sharing with each stakeholder their fair and equitable slice of the pie. At the center of what we do is still and always will be our guests and patrons. A happy guest, a positive commendation, a busy store, these are the things that give our team a rush, that sense of satisfaction that can get us out of bed in the morning.

Another key stakeholder is the people who make up PIZZA. An important part of our motivation for building out this business is to be able to use it as a platform to support meaningful livelihoods and generate impact.



As of 2023, our enterprise supported over 18,000 jobs.

As we grow the business, we grow our impact. For our guests and patrons, we aim to provide Great Times and Great Memories. For our employees, we strive to offer Great Opportunities.

Our other key stakeholders like franchisees, suppliers, and shareholders also win as we profitably expand. We are grateful for the collaborative partnership of our franchisees and wish to repay their trust with good returns on their investments. If we do our jobs right, we should be able to return franchisees' investments in around 5 years for restaurants and in 2 years for kiosks, with healthy cashflows thereafter. For suppliers, it's easier to achieve win-win if the pie is growing and there's more value to share. When we share our growth with them, they can reciprocate with quality and competitiveness.

Last, but not the least, our profitable expansion is meant to financially reward our shareholders with an attractive return on their capital.



This year, PIZZA paid out 30% of net income, P0.20 per share, double last year's dividends per share.

As for the share price, our belief is that if we focus on the business, the market will reward us with a fair valuation.

This capacity and appetite to share value as we expand is the kind of inclusive capitalism that gives our work more meaning.

More than just being a buzzword, it is within the group's nature to operate a business that profitably works for the common good. We believe that hand-in-hand with building our businesses and brands, it is important that we build a better tomorrow for the communities we are located in. Given the scale of our operations, we hope that we are also able to inspire peers in the industry to become catalysts for positive change and work towards a more inclusive and sustainable economy.

To keep growing the pie, we must continue to invest. For 2024, our CAPEX investment to build stores, renovate, improve our IT and so forth is almost equal to our net income last year. This mind set of investing is the business expression of the law of the harvest: we reap what we sow.

On this note, "sowing" is more than just the monetary investments. I believe we should expect hard work, failures, disappointments, tension, and other forms of hardships as part of what is "sowed". Those who sow sparingly should only expect to reap sparingly. Those who sow bountifully can hope to reap bountifully.

Let me then take this opportunity to thank our team for the hard work that delivered the admirable results of 2023.

Thank you to the whole PIZZA team and our franchisee partners for your commitment. It is through your efforts that we are able to renew and sustain the group's double-digit growth run.

Thank you to our board for your continued support and guidance. Your wisdom has allowed us to learn and adapt from operating a single brand to managing a portfolio of WOW! Brands.

Thank you to our dear shareholders for the trust you have given to the group and for your confidence in our plans. We continuously strive to be good stewards of your capital and we look forward to more years of sharing with you the larger and larger slices of the pie we grow here at PIZZA.


Christopher T. Po
CHAIRMAN OF THE BOARD

A Letter from the President

2-22



Dear Esteemed PIZZA Shareholders,

2023 came with a myriad of challenges that negatively affected both global and local markets and businesses. And yet, despite the global economic uncertainties and rapidly shifting market dynamics, I am proud to say that we have remained steadfast in our commitment to deliver superior value to our stakeholders.



2023 IN REVIEW

Like many, we started last year with a sense of cautious optimism. We were hopeful that the continuous post-COVID recovery and the further re-opening of the market will usher in higher demand and consumption. But as fate would have it, global headwinds and their adverse effects to fuel and supply costs upturned the very strong performance of the first few months of the year. We saw high inflation, which spiked in the second half of last year, adversely affecting the purchasing power of our target consumers. As a result, consumers visibly traded down to more affordable brands as they became highly price sensitive and value conscious.

Nonetheless, despite the tough inflationary environment and the unusually volatile market conditions of 2023, we were able to adapt and implement the right strategies and business initiatives enabling us to deliver another year of healthy and sustainable growth. Indeed, the Group emerged out of last year stronger, wiser, and more resilient to face any future disruptions.



Our strategic shift to a multi-brand business model with different pricing strategies has allowed PIZZA to better navigate the market ups and downs of 2023.

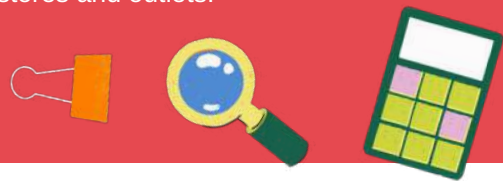
With a portfolio of strong, complimentary, and relevant brands, we have added flexibility, scale, and synergies providing us a huge competitive edge.

We also continue to enjoy a distinct advantage in our Human Resources. We have always been blessed with having highly dedicated and hardworking employees led by competent and credible leaders all committed and supportive of our distinct WOW! Culture. Add to these our continuing and healthy relationships with our business partners sharing the same strong passion for our brands. All these enabled us to end 2023 with strong growth in systemwide sales (SWS), revenue, and profits and as a result, after bouncing back to profitability in 2021, we now enjoy two consecutive years of double-digit growth in SWS and profits. I am proud to say that our company is moving in the right direction, and barring any global external factors beyond our control, I am confident we are in a good position to sustain double digit growth in our systemwide sales and profits this 2024 and with a good probability to extend it the year after.

2023 FINANCIALS

The Shakey's Group ended the year with SWS at Php18.64 billion, registering a 32% increase even after the high base set last 2022. Driving this strong topline performance were:

- First, the continued relevant value proposition of our brands. In light of challenges amidst a persisting inflationary environment, our guests resonated with the value offerings of our portfolio.
- Second, the strong foot traffic in dine-in especially in the fourth quarter as we entered the holiday season.
- And third, the impact of the new stores and outlets built for the year as we expand our brands' presence both domestically and internationally. The Group ended with a global network of 2,141 stores and outlets, expanding presence in 2023 by 369 new stores and outlets.



Gross profit increased by 21% for the full year. Input costs have trended upwards as seen since the first quarter of the year, and to mitigate supply risks, we also increased inventory covers going into the second half of 2023.

Anticipating favorable effective tax rates, we invested significantly in infrastructure to support domestic and international expansion. Hence, despite the persisting inflationary environment, the Group's net income grew by 23%.

This is the first time that the Shakey's Group surpassed the one-billion-peso net income mark, capping off 2023 with a bottomline of Php 1.08 billion.



WHAT'S NEXT?: CREATING SUPERIOR VALUE AND ORGANIZATIONAL RESILIENCE

As of writing, inflationary conditions continue to persist. The information and data we have gathered thus far indicate that this challenging business environment will not only continue but could worsen before it gets better. And while PIZZA was able to again deliver healthy growth performance in 2023, it is imperative that we now focus all our efforts in creating more value. We will do this by putting emphasis on improving efficiencies, excellent and consistent store execution and, deliver game changing and relevant innovation. And true to our productive paranoia mindset we should prepare for a future where challenges and disruptions are part of the norm. As such, we must double down on our efforts to strengthen our organization's resilience and capability to effectively address them. The good news is, this task is still very much aligned with our business philosophy of Investing in our BRANDS, our STORES, and our PEOPLE. We now need to work smarter to enable us to continue delivering healthy, long term sustainable growth.

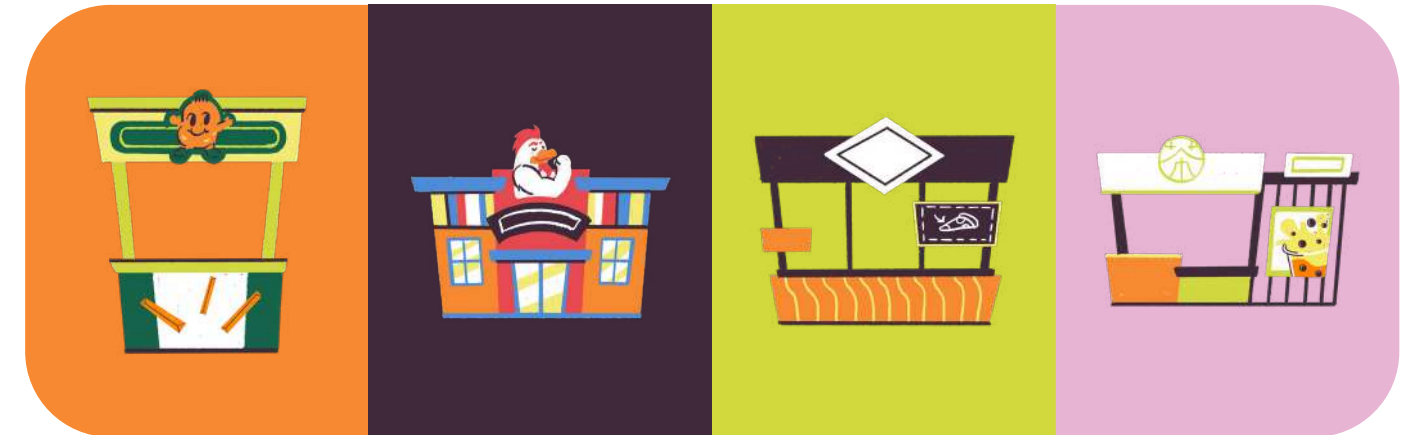
Investing in our BRANDS

Having a portfolio of powerful brands has allowed us to offer consumers different product and price options. We were able to use our experiences in 2023 to take stock of what the Shakey's and Peri-Peri brands have accomplished and what they need to increase their competitive advantage, ready to pounce and grow aggressively once the market condition improves. The new store designs of Shakey's and Peri-Peri have been warmly accepted by our consumers. We are now ready to roll out these new designs this year through our new store expansions and store renovations. Potato Corner is perfect for this value driven and price-conscious market. As such, I am proud to say Potato Corner is set to expand even more aggressively this year both in the country and international markets.



Investing in our STORES

Aside from upgrading our store designs and rolling out store renovations, we see an opportunity to improve our ability in site identification, real estate negotiations and construction costs, and turn-around timetable. The goal is to make our store environment more beautiful, clean, comfortable and make them into something that can be considered "World Class". We will continue to set aside a big part of our capital expenditures for this task as this will allow us to give our dine-in patrons more value for their hard-earned money.



Investing in our PEOPLE

While our rapid expansion the last three years has helped us achieve healthy and sustained growth, it has also stretched our Human Resources close to their limits. This continued high growth pace we do now requires us to increase investment in our organizational and people capabilities. Doing so will further enhance our consumer total dining experience, which is crucial to delivering superior value. What brought us here will not be enough to bring us to the next level and we are levelling up our WOW the Guest mission. We recently launched a new bold theme we call WE³ which translates to WOW-ing Everyone, Everywhere, Every day. This new theme is needed since with more brands now, our Group caters to wider, diverse, and geographically dispersed markets and we need to WOW THEM ALL! This requires us to better execute our strategy of HIRING, TRAINING and KEEPING great people.

I am proud to report that in 2023, our HR team has successfully rolled-out an advanced Human Resource Information System (HRIS), which will be a key enabler to help the team in their main task of hiring, training, and keeping great people.

On hiring, our HR Team is creating compelling and creative recruitment campaigns to attract and sign up quality talent at the required quantity and time. Our training and development programs will be brought to the next level with the implementation of new face-to-face and online training programs that I believe will not just fill the gaps we've identified but will also upskill our people. Lastly, with the new performance appraisal systems being rolled out, the focus on improving workplace condition, employee benefits and compensation alongside the increased opportunities for growth, all work together in greatly improving employee retention rates and keep our employees motivated and engaged.

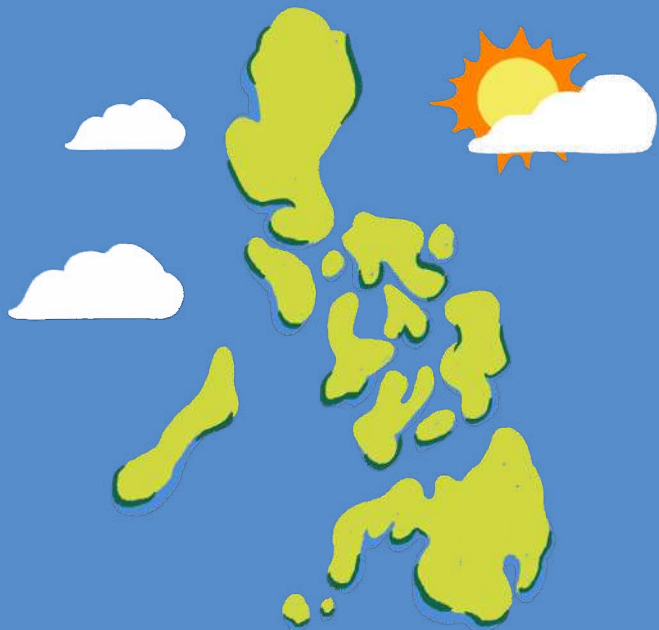


I would like to take this opportunity to remind all my co-shareholders that our company is not just engaged in the "foodservice business" - it would be better if we see it more as a "people business". PIZZA's continued growth and success will depend a lot on how we value the people within our organization.

AN UPDATE ON OUR ESG PROGRAM

Our ESG commitment continues to be a major mission of management and I am pleased to share with you our main achievements for 2023.

Promoting inclusivity continues to be a great source of pride for PIZZA. Our tie-up with the Down Syndrome Association of the Philippines (DSAPI) got even stronger in 2023. We have added Peri-Peri stores as additional venues for DSAPI to send more people with Down Syndrome to. We also have expanded our tie-up program of hiring Senior Citizens to more cities across Metro Manila. And on top of this, we have started to employ People with Disabilities (PWD) in our stores, providing them a means to generate income and a strong sense of value. Lastly, our partnership with the Department of Labor and Employment supporting their request to accept senior high doing on-the-job training has been successful as seen in the increased number of trainees last year.



In terms of our planet initiatives, we continue to support and partner with organizations like the Plastic Credit Exchange (PCX) to help us on our packaging footprint reduction journey. This long-standing partnership has allowed us to be prepared and compliant with the recently-passed Extended Producer Responsibility (EPR) Law. As our group continues to grow, we plan to also increase our support and funding for planet-friendly causes and identify and implement projects internally that can contribute to saving Mother Earth.

Lastly, with regards to the issue of organizational transparency and good governance, I am proud to report that last September 2023, PIZZA was awarded the prestigious One Golden Arrow Award by the highly respected Institute of Corporate Directors of the Philippines. This award recognizes our company's commitment to transparency and good governance. And because we project to grow rapidly in the next few years we intend to continue enhancing our processes and systems to our ensure our controls and level of transparency matches the increasing demand and challenges our high growth will bring.



With our global network of more than two thousand stores and outlets, we were able to support more than 18 thousand jobs. We also promoted more than 10% of our full-time employees, highlighting our commitment to create opportunities for our people.



IN SUMMARY

Recalling all that has transpired in 2023, I believe that we have many things to be grateful for. It is clear that the strategies and initiatives we did in the last few years have been effective and worked well for company. Our new strong double-digit growth run emerging from the most difficult and challenging years is solid proof that our company is well adapted and capable of navigating and thriving on change.

Our diversification strategy of shifting from a one brand entity to a portfolio of WOW! Brands has given us the strategic strength and flexibility to adapt and continue to grow even in difficult and volatile business environments. The investments we continually make in our Brands, Stores and People both in the local and global markets have generated and will continue to generate many opportunities for our group moving forward. And while our execution may have some areas for improvement, I am proud to say that PIZZA has a clear and solid long term strategy in place.



As we now focus and commit to creating more value by aiming to be more efficient and more innovative in business, I am certain we will create more runways for growth and provide more opportunities for all our stakeholders. I am proud to say that we have a powerful business model and we have an exceptional team and because of these, I am certain we will have more opportunities in 2024. Yes, more challenges will come this year but I have full trust in our capability, dedication, and discipline to meet and successfully address them.

I would like to express my sincerest thanks and gratitude for our key business partners, our capable managers and leaders, our Board of Directors and shareholders and of course, our dedicated, capable, and hardworking employees for all the support and trust in our company. This 2024, let us all join hands and WOW Everyone, Everywhere and Every day!

Sincerely yours,


Vicente L. Gregorio
PRESIDENT & CEO

The Leadership Team

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BOARD OF DIRECTORS



Christopher T. Po
CHAIRMAN
(Filipino, 53)

Date of Appointment: 31 March 2016
Length of Service: 7 years
Academic/Professional Qualification:

- Former Managing Director for Guggenheim Partners, a U.S. financial services firm where he was in charge of the firm's Hong Kong office
- Former Management Consultant at McKinsey and Company
- Former Head of Corporate Planning for JG Summit Holdings
- Graduated Summa Cum Laude from the Wharton School and College of Engineering of the University of Pennsylvania in 1991 with dual degrees in Economics (finance concentration) and Applied Science (system engineering)
- Holds a Master's Degree in Business Administration from the Harvard University Graduate School of Business Administration
- Member of the Board of Trustees of the Ateneo de Manila University as well as a member of the Board of Asia Society Philippines
- President of the CPG-RSPo Foundation

Present Directorship(s)/Position(s):

Other Publicly Listed Companies – Affiliates

- 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, 56)

Date of Appointment: 31 March 2016
Length of Service: 7 years
Academic/Professional Qualification:

- Graduated Magna Cum Laude from Boston University with a Bachelor of Science degree in Business Management in 1990
- Completed the Harvard Business School Executive Education Program (Owner-President Management Program) in 2000
- Former Executive Vice President and Chief Operations Officer of CNPF from 1990 to 2006

Present Directorship(s)/Position(s):

Other Publicly Listed Companies – Affiliates

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



Teodoro Alexander T. Po
VICE CHAIRMAN
(Filipino, 54)

Date of Appointment: 31 March 2016
Length of Service: 7 years
Academic/Professional Qualification:

- Graduated Summa Cum Laude from Boston University with a Bachelor of Science degree in Manufacturing Engineering in 1990
- Completed the Harvard Business School Executive Education Program (Owner-President Management Program)
- Held various positions in Century Pacific Food, Inc. since 1990. Designed, built, and managed several factories of the Group

Present Directorship(s)/Position(s):

Other Publicly Listed Companies – Affiliates

- Vice Chairman of Century Pacific Food, Inc.





Leonardo Arthur T. Po

DIRECTOR & TREASURER

(Filipino, 46)

Date of Appointment: 31 March 2016

Length of Service: 7 years

Academic/Professional Qualification:

- Graduated Magna Cum Laude from Boston University with a Bachelor of Science degree in Business Administration
- Has extensive and solid business development experience in consumer marketing, finance, and operations of fast-moving consumer goods (FMCG), foodservice, quick-serve restaurants, and real estate development

Present Directorship(s)/Position(s):

Other Publicly Listed Companies – Affiliates

- Treasurer and Director of Century Pacific Food, Inc.



Vicente L. Gregorio

DIRECTOR, PRESIDENT AND CHIEF EXECUTIVE OFFICER

(Filipino, 58)

Date of Appointment: March 2013

Length of Service: 10 years

Academic/Professional Qualification:

- 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 Directorship(s)/Position(s):

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.



Fernan Victor P. Lukban

INDEPENDENT DIRECTOR

(Filipino, 63)

Date of Appointment: 14 October 2016

Length of Service: 7 years

Academic/Professional Qualification:

- Highly regarded consultant in family business, strategy, entrepreneurship, and governance
- Holds undergraduate degrees in engineering (Industrial Management - Mechanical from De La Salle University, Manila)
- Holds graduate degrees in economics (MSc in Industrial Economics from the Center for Research & Communication, now University of Asia & the Pacific) and in business (MBA from IESE Barcelona, Spain)
- Consultant, mentor, and guest lecturer at University of Asia & the Pacific
- Founding fellow of the Institute of Corporate Directors

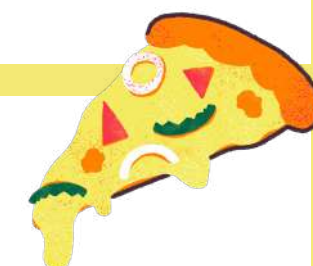
Present Directorship(s)/Position(s):

Other Publicly Listed Companies – Affiliates

- Independent Director of Arthaland Corporation

Other Publicly Listed Companies – Affiliates

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



Frances J. Yu

INDEPENDENT DIRECTOR

(Filipino, 54)

Date of Appointment: 16 August 2018

Length of Service: 5 years

Academic/Professional Qualification:

- Former Chief Retail Strategist of Mansmith and Fielders, Inc.
- Former Vice President and Business Unit Head of Rustan's Supermarket
- Former Vice President and Head of Marketing Operations for Rustan's Supercenters, Inc.
- Founder of FJY Consulting, Inc.
- Former Vice President and General Manager of a marketing research and consulting firm catering to the top 500 corporations in several sectors
- Former Chairperson for the National Retail Conference and Stores Asia Expo (NRCE) Programs Committee of the Philippine Retailers Association from 2003 to 2005
- Graduated Summa Cum Laude from Fordham University, New York with a Bachelor of Arts degree in English Literature
- Graduated Magna Cum Laude from the Augustine Institute in Denver with a Master's Degree in Theology

Present Directorship(s)/Position(s):

Other Publicly Listed Companies – Affiliates

- Independent Director of Century Pacific Food Inc.



Paulo L. Campos III
INDEPENDENT DIRECTOR
(Filipino, 40)

Date of Appointment: 14 October 2016

Length of Service: 7 years

Academic/Professional Qualification:

- Founding Managing General Partner of Kaya Founders and Co-founder of ZALORA Philippines
- 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



Lance Y. Gokongwei
DIRECTOR
(Filipino, 57)

Date of Appointment: 15 July 2021

Length of Service: 2 years

Academic/Professional Qualification:

- President and Chief Executive Officer of JG Summit Holdings, Inc.
- Chairman of Cebu Air, Inc., Universal Robina Corporation, Robinsons Retail Holdings, Inc., and JG Summit Olefins Corporation
- Chairman, President, and Chief Executive Officer of Robinsons Land Corporation
- Director and Vice Chairman of Manila Electric Company
- Director of RL Commercial REIT, Inc., Altus Property Ventures, Inc., Oriental Petroleum and Minerals Corporation, Singapore Land Group Limited, AB Capital and Investment Corporation, and Endeavor Acquisition 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 Directorship(s)/Position(s):

Other Publicly Listed Companies – Affiliate Companies

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



ADVISORS TO THE BOARD



Ma. Pilar P. Lorenzo

Academic/Professional Qualification:

- 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.

Academic/Professional Qualification:

- 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 & CHIEF EXECUTIVE OFFICER

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. Completed the Business Administration Master's program of the Graduate School of Business at the 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
CHIEF OPERATING OFFICER - 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



Rommel M. Turbanos
GENERAL MANAGER - PERI-PERI

Date Joined: 2021

Experience: Previously Shakey's Company-Owned Business Unit Director, handling 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



Jennifer V. Lapa
EXECUTIVE DEVELOPMENT CONSULTANT

Date Joined: 2013

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
CHIEF HUMAN RESOURCES OFFICER

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. Also served as Peri-Peri as the General Manager starting from its acquisition in June 2019 until June 2023. Has a Master's degree in Business Administration from the Ateneo-Regis Program



Yiow L. Tan
GROUP DIRECTOR FOR INTERNATIONAL BUSINESS

Date Joined: 2023

Experience: Has more than 25 years of transnational experience in Business Development, Market Development, and Investment & Asset Management. Previously the Business Development Director – International Franchise for Minor Food Group where he spearheaded the growth of the Group's brand in the international market. Also held various posts in Yum! Brands, Inc., Metro Group AG, Focus Brands International, Capitaland Retail Limited, Shell Oil Company and Deutsche Bank AG. Graduated with a Bachelor of Science in Economics in London School of Economics and Political Science and earned a Master of Science in Economics in the same school.



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



Gilbert L. Tolentino
HEAD - CORPORATE BUSINESS DEVELOPMENT

Date Joined: 2006

Experience: Has 35 years of experience in the food industry, including 17 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



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 15 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



Karina Kellda M. Centeno
GROUP DIRECTOR FOR DIGITAL, LOYALTY AND 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



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



Carlos S. Robles III
OPERATIONS DIRECTOR, SHAKEY'S AND PROJECT PIE

Date Joined: 2023

Experience: Has more than 25 years of experience in the food industry. Previously the Chief Operating Operator of LKY Group of Companies Food Division from 2019 to 2023, with previous roles held in Shakey's and Golden Arches Development Corporation.



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



Myrose April C. Victor
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 AND 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



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. He holds a bachelor degree in Accountancy from San Sebastian College - Recoletos de Cavite

SHAKEY'S MANAGEMENT

Rolando Bonifacio
Severino Manotok
Ferdinand Lim
Regina Asa
Gale Roque
Veronica Mercado
Emily Alvarez
Celeste Tubu
Cherry de Mesa



PERI-PERI MANAGEMENT

Michael Marcelo
Donato Dalisay
Phillip Orticio
Rowena Canizares
Glenn Rico Delmonte



POTATO CORNER

Engle Chua
Ysai Clemente-Mastrile
Hazel Sason
Paulo Perez
Lixles De Mesa (new)
Mathew Whang (new)
Allan Ang (new)
Charm de Leon
Samuel Baltazar
Mai Salangsang
Joanna Isidoro



R&B AND PROJECT PIE

Arthur Canlas
Anna Bendero



INTERNATIONAL

Kuanhua Huang
Theresa Wu (new)
Kathryna Manalo
Aiko Sagusay
Mathew Whang (new)

The Shakey's Legacy and Evolution

By: Ma. Pilar P. Lorenzo

ADVISER TO THE BOARD OF DIRECTORS



Our mission of WOW-ing guests has always been in the Shakey's DNA – from its entry into the Philippines in 1975. As the first international pizza franchise to be successfully introduced to the Filipino palate, Shakey's WOW-ed for the best thin-crust pizza and more. We offered wholesome fun, warm service, and a hearty family ambiance, making every meal delightful.

Going down Shakey's memory lane brings images of enthusiastic servers with their happy smiles, iconic styro skimmer hats, and brightly pinstriped attire. The restaurant itself was a visual feast, with colorful Tiffany lamps, long wooden tables and benches for group diners, and ye ole' fun slogans decorating the walls. Everyone had their favorite pizza flavor, paired with an ice cold mug of draft beer, rootbeer, or a deliciously thick milkshake. Shakey's was and still is a go-to place for special occasions, like an old friend with whom we share wonderful memories that fill the heart (and stomach)!

Towards the 1980s, Shakey's reflected the trend of having live bands as night entertainment. Several local bands still popular today were launched at Shakey's. While it was fun, we yearned for the core Shakey's identity. In the 1990s, we decided to refocus on the families who have loved our food and service over the years, thus restoring a more wholesome environment while keeping the nostalgia alive. The result: our WOW! Culture today.

Throughout Shakey's journey, whatever the trend or season, we have remained faithful to a singular mission – to exceed our guests' expectations and keep them coming back into our stores. We have had a lot of iterations throughout the almost 50 years of existence in the Philippines, but we have stayed relevant to the times with one common goal – to consistently WOW! It is only fitting that for 2024 we have re-emphasized the WOW! Mantra and made it even bigger and better – WE³: "WOW Everyone, Everywhere, Every day."



Begin with Our Why

PURPOSE

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

VISION

To be one of the most respected and admired food services groups, with a global portfolio of WOW! Brands, delivering fast, profitable, and sustainable growth.

MISSION

WE³: “WOW Everyone, Everywhere, Every day”



CORE VALUES

Guest Centricity

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.



WOW Everyone, Everywhere, Every Day



By: Maria Elma C. Santos

CHIEF HUMAN RESOURCES OFFICER



“WOW Everyone, Everywhere, Every day” or WE³ — is a new catchphrase you'll hear from our employees.

As we aspire to thrive in a dynamic industry, the need to find ways to build our competitive edge becomes more urgent. This is the motivation why we made efforts to update our Mission Statement. This change reflects a shift towards a more focused and aspirational approach that better aligns with the evolving market landscape. By embracing this new mission, PIZZA reaffirms its commitment to delivering exceptional experiences and exceeding expectations at every opportunity it has. It captures the essence of what we stand for—innovation, excellence, and guest centricity. We aim to make WE³ our lifestyle.

WE³ embodies a bold and ambitious Mission Statement which articulates our commitment to excellence, and a relentless pursuit of delighting people at every turn. At its core, PIZZA's mission to WOW encapsulates the essence of exceeding expectations, creating unforgettable experiences, and leaving a lasting impression.

True to our WOW! Culture, we are setting an exceptionally high standard with WE³. We consistently challenge ourselves to work on continuous improvement and foster creativity within the organization. While it will take extra effort, each employee is motivated to go beyond as we know that it will differentiate us from the rest. From random moments of exceptional service to consistent ways of delighting our guests, both internal and external. We're dreaming big with WE³, and we know it takes a village to make it a reality but as we always tell our troops when faced with a big task ahead of them... one shift at a time, one person at a time. This way, a ripple effect will happen across the organization.

Our hope is that we inspire every member of the PIZZA organization, in any of our brands, to believe that as they do this, they make a positive impact and be inspired and valued for their efforts. By living out our WE³ mission, we make our purpose real as we create “great times and great memories” one “WOW!” moment at a time.



The Shakey's Business & Our Growth Ambition

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2-6

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", "PeriPeri Charcoal Chicken and Sauce Bar" ("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.



Our WOW! Brands



Shakey's Pizza 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 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. Since its acquisition in 2019, PIZZA has already more than tripled the store footprint of Peri-Peri.



PIZZA owns the master franchise of **R&B Milk Tea** in the Philippines. R&B Milk Tea is one of the leading milk tea players in Singapore. It is available in Shakey's stores and now has nine independent stores, one of which is the first drive-through milk tea store in the country.



Project Pie is a modern and upscale pizza concept and an artisan pizza chain known for its build-your-own pizzas. The brand was relaunched in 2021 and opened its doors in Shopwise, a supermarket by Gokongwei-led Robinsons Retail Holdings, Inc.



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. Potato Corner has over 1,700 stores globally.

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 for our casual restaurant concepts and 1-2 years for Potato Corner. Low upfront cost and strong cash generation per store make our brands 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, thus, we have embraced 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: Updates from the General Managers



Pizza Perseverance: Shakey's Steadily Rises in 2023, Sets the Table for a Bounce-Back Year



By: Ma. Jorge Q. Concepcion
CHIEF OPERATING OFFICER - SHAKEY'S



The enduring commitment of Shakey's to its legacy pledge of "Fun, Family, Pizza" has remained a steadfast core value. The brand evokes great times and great memories, built around a much beloved lineup of iconic All-Time Favorites and unrivalled guest experience with the brand. Shakey's proudly continues to stand as the country's leading fast-casual restaurant chain.

Shakey's Systemwide Sales in 2023 breached the pre-pandemic level and grew strongly above 2022. More impressive is that this growth was driven by double-digit average daily same store sales growth in 2023.

Our 2023 performance came in the midst of uncertainties caused by supply chain disruptions, rising inflationary

costs resulting in decreased discretionary income, and more aggressive competitive activities. Shakey's addressed these challenges with even more innovative marketing programs, promotional bundles and offers, new product offerings, investments in technology, and sharper data analytics. We also accelerated our hiring, training, and retention programs to leverage our people strength in the industry and have the necessary staff ready for our new stores.

We ramped up our store network expansion plan after we unveiled our latest store design upgrade. We opened our newest flagship store concept in Mindanao Ave. last December. Our objective is to refresh the in-store ambiance and guest experience in order to engage and cater to our more discriminating guests and evolving market demographics. This will be rolled out in all the new stores we will open moving forward, as well as refresh, as we renovate our other older stores.

We are confident that these ongoing investments will continue to propel our growth momentum, paving the way for a robust 2024 as we strive to achieve our ambition to WOW Everyone, Everywhere, Every day!



Setting Sail for New Adventures: A Flavorful Journey Ahead



By: Rommel M. Turbanos
GENERAL MANAGER (CHIEF ADVENTURER) -
PERI-PERI CHARCOAL CHICKEN AND SAUCE BAR

In 2023, our achievements encompassed elevating over 200 store management and staff through promotions, aligning with our commitment to consistently WOW our people and fostering motivation to inspire them to take care of the business.

Through strategic Supply Chain Management (SCM) and operational controls, we achieved significant food cost (FC) reduction, optimizing overall operational efficiencies by rationalizing labor cost, FC variance, and implementing effective operational controls.

The New Store Opening (NSO) initiative introduced appropriately-sized stores with an elevated dining experience, featuring world-class billboard stores as we transformed store looks to embody a genuine casual dining concept.

Marketing efforts focused on bundled promotions, local store marketing and functions, outside restaurant selling, and bulk orders. Our Blitz accomplishment this year surpassed expectations, nearly tripling previous year's performance. The achievement of increased Supercard sales and usage in our stores played a substantial role by not only fostering revenue growth, but also positively impacting financial results. This accomplishment further highlights Peri-Peri's skill in efficiently utilizing guest loyalty programs and seizing the value-added benefits provided by Supercard.



Above all, our central theme remained WOW-ing our people, emphasizing continuous improvement in their well-being.

We empowered store management to seek support proactively, ensuring prompt and effective decision-making.

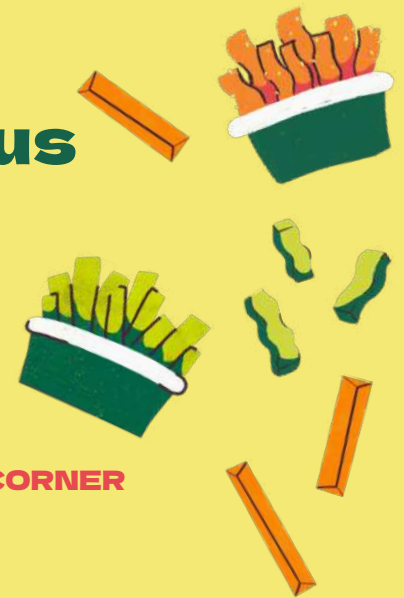
Our dedication to guarantee NBND - Never Bland, Never Dry - emphasizes our assurance of delivering our core, charcoal-grilled butterfly-cut chicken as our hero product. The market's positive response is evident through widespread trial and acceptance of Peri-Peri Charcoal Grilled Chicken, accompanied by a growing fan base for our Signature Sauces and successful store launches in every new location. As an emerging brand in our industry and category, the enthusiastic reception fuels our motivation to extend the flavor adventure to additional spaces and places across the country. Anticipating a soaring ascent, **PERI-PERI will rise in 2024!**



Spud-tacular Growth: Potato Corner's Momentous Voyage Through 2023



By: Jose Arnold T. Alvero
CHIEF OPERATING OFFICER - POTATO CORNER



Guided by our mantra, "A Potato Corner in Every Corner," 2023 was marked by the tangible realization of our vision to spread fun and flavorful moments to every nook and cranny of our communities. This commitment became a driving force behind our most successful year to date.

Financially, 2023 was a standout year, with substantial growth in revenue and profit margins exceeding previous year's performance. Our success can be attributed to meticulous financial management, efficient cost-control measures, and targeted marketing campaigns that resonated effectively with our diverse consumer base.

A significant milestone for Potato Corner in 2023 was the successful opening of the most stores in our 31-year history. This achievement underscores our dedication to bringing fun, flavor, and fulfillment across the country, solidifying our position as a preferred choice in the franchising sector.

Adding an exciting dimension to our success was the introduction of new store designs and a refresh of our mascot that hopefully brought us closer to world-class standards. The refreshed aesthetic not only enhances the overall guest experience but also positions Potato Corner as a youthful and inviting brand. The introduction of a playful mascot further adds a vibrant and engaging touch to our brand identity, further enhancing relevance to our target audience.

Industry recognition was another feather in our cap, as Potato Corner, together with our 700+ franchisees, secured a spot among the 15 brands on the Board of Trustees of the Philippine Franchise Association. This acknowledgment underscores our influence and standing in the franchising community. I am honored to lead the Franchisees' Summit for the next two years, a responsibility that reflects our commitment to fostering collaboration and innovation within the franchise ecosystem. Additionally, serving as the Chairperson of

the Homegrown Brands Committee cements our active role in shaping the future of franchising in the Philippines.

Our commitment to sustainability and corporate social responsibility remained at the forefront of our operations throughout 2023. Start of work on eco-friendly packaging solutions and collaboration with Gawad Kalinga reflected our dedication to making a meaningful difference beyond our business pursuits.

The operational efficiency initiatives spearheaded by our team played a pivotal role in our success. Streamlining the supply chain, refining production processes, and enhancing overall organizational efficiency resulted not only in significant cost savings but also increased agility. These measures positioned Potato Corner as a resilient player in the food kiosk industry, capable of adapting to evolving market dynamics.

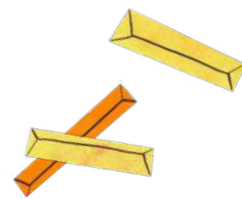
Looking ahead, Potato Corner is poised for continued growth, with a focus on innovation, diversification, and strategic market penetration. We remain committed to maintaining our position as a global leader in the snacking sector by adapting to evolving consumer preferences and embracing emerging trends.

In conclusion, the achievements and performance of Potato Corner in 2023 underscore the collaborative efforts of our dedicated team, the strategic guidance of our owners and executive team, and the unwavering support of our valued investors. We express our gratitude for the trust and partnership and look forward to the exciting opportunities that lie ahead.

As we move into the future, we aspire to further strengthen our organizational culture by embracing the "WE³" philosophy – a commitment to WOW Everyone, Everywhere, Every day.



Taking WOW! Worldwide: Meet Yuiow Tan



As globalization continues to redefine the foodservice landscape, the role of international business heads becomes increasingly pivotal in driving companies towards global success. We sat down with Yuiow Tan, the newly appointed Director for International Business at PIZZA, to delve into his insights and personal journey behind navigating the complexities of international markets. With his prior experience in spearheading expansion initiatives across diverse cultural landscapes, Yuiow offers invaluable perspectives on the evolving dynamics of global commerce and the leadership necessary to thrive in this ever-changing arena.

Can you share a brief overview of your professional background and experience in international markets?

I am fortunate to have wide international exposure since early in my career, starting from my very first role after I graduated. I was with a global bank where I worked on projects across Asia Pacific and was seconded to its headquarters in Germany for a year. Since then, I have held regional and global roles at various multinational companies across the oil & gas, real estate and foodservice industries. There I traveled extensively and worked closely with colleagues as well as external stakeholders who are from diverse backgrounds and nationalities. At last count, I believe I have traveled to or worked in over 30 countries.

What aspects of working in international markets do you find most exciting and fulfilling?

The best thing about working in international markets is having the opportunity to interact with and learn from other cultures and nationalities. And in the process, I came to know more about myself. While I see myself as “global citizen”, I realize I am very much Asian at heart, a heritage I am proud of. Being based in multi-cultural Singapore, I have found myself to be a bridge between Asian counterparts and other parts of the world, leveraging on my international exposure and connections.



What made you decide to join PIZZA, and what was the biggest adjustment you have had to make upon joining the company?

When I was exploring the opportunity in 2022, I was very taken by the bold ambitions and visions of the management team for PIZZA, and I really wanted to be part of the team to make them happen. Honestly, I did not feel that I had to make huge adjustments to my working style since joining. Given the openness and broad vision of the leadership team, I feel emboldened to drive the acceleration of the international business with a lot of freedom. Above all, the PIZZA WOW! Culture and WE³ mission is applicable globally and unifies our philosophy, principles and ethics across all countries we are present in.

How would you describe your leadership style, especially when it comes to managing teams across different cultures and regions? How do you foster collaboration and communication among teams operating in different countries?

I consider my leadership style as being firm but fair. I always aim to be transparent and upfront, and I am always keen to get to the “essence of things” so that the interests of every person can be identified and aligned as best as possible.

Currently our team has people in Manila, Singapore, and Shanghai, and not being in the same place means we need to be mindful to stay connected, sometimes even push to over-communicate, for us to drive the business forward effectively. We are still a young and growing team, so more effort will be needed to build a more cohesive and high-performing team.

How do you ensure that the team's efforts align with PIZZA's overall business objectives?

My team and I have jointly developed our Vision and Mission statements which have been cascaded to all team members. We have regular cross-functional meetings to update our progress against goals and clarify on our priorities. In addition, I have one-on-one catch-ups with my team members, and we share our take on the pulse of the business which may necessitate a change in our approach. Many times these are ad-hoc discussions which I personally find to be a good opportunity to make clear and re-emphasize on the International team's reasons to exist.

For myself, I regularly go to our Manila HQ to connect with the leadership team and make sure our overall objectives are aligned

How do you adapt your business strategies to accommodate cultural differences in various international markets?

In my experience, I have learnt that there is no one size fits all when it comes to managing an international business. We need to be open to adapt to local tastes, cultures, and ways of working to be successful and stay relevant to the consumer.

For each brand we are careful to play in markets where we are confident there will be a high level of brand acceptance. Establishing proof of concept is critical.



For franchised stores, the key to success is partnering with capable and growth-minded local companies. As for company-owned stores, we adopt a Think Local, Act Global approach.

In our brand communications, we constantly emphasize our position as an international brand that understands the local consumer base. A good example is Potato Corner in China, where we recently launched our company-owned stores in Shanghai. The brand is fast gaining popularity with the young customer base and making waves on the local social media platforms.

Lastly, key to our strategy is adopting a Win-Win-Win mindset when it comes to our franchisees, employees and guests/customers. This principle drives all we do.

Are there any companies that you look for inspiration with respect to their strategy in international markets? What specific aspects of their strategy would you want to implement for PIZZA's international business?

Among the many companies that achieved global success, two stand out for me: Coca-Cola for its global brand strength and product quality across markets, and McDonald's for its focus on customer experience and consistency in business model and operational execution.

As a leader in international markets, what legacy do you hope to leave, and what impact do you aim to make?

My dream is to see our brands become globally recognized brands that are best in class in their respective categories. I want to look back and say with conviction “The team I led had a lot to do with our brands being where they are today”.

Lastly, I want to be remembered as an authentic and courageous leader who helped the team reach its vision and who cared for each person in the team and helped them realize his or her full potential.

Investing in Our Brands

Shakey's: Enduring Legacy, Evolving Experience

By: **Oliver Angelo C. Sicam**
GROUP DIRECTOR FOR MARKETING

Shakey's, a household name in the Philippines, has thrived for over four decades by consistently adapting to changing consumer preferences. In 2023 we continued this tradition with exciting innovations, collaborations, and brand activations that help strengthen our brand equity and ensure our relevance in the competitive food service industry.



INNOVATION ON A PLATE: TENDER CRRRUNCH CHICKEN FINGERS, TEXAS CHICKEN BBQ PIZZA, NEW SALADS, AND HOLIDAY COLLECTION



While Shakey's has enduring mainstay signature products that we are famous for, such as the Original Thin Crust Pizza, Manager's Choice, Shakey's Special, Chicken N' Mojos, Skilletti, and many more, innovation and refreshing the menu are important drivers to satisfy guests' evolving needs and cravings.

Continuing its tradition of culinary innovation, Shakey's introduced in 2023 a lineup of new menu items that reinvigorated our dining experience. We launched the new Tender Crrrunch Chicken Fingers, a crunchy and succulent treat that adds a delightful twist to the classic chicken finger, and addresses the trend for boneless chicken and guests' desire for new experiences for their favorite fried chicken. We also launched the Texas Chicken BBQ Pizza, a delightful fusion of grilled chicken, American southwestern BBQ sauce on our signature pizza crust. This sweet, smoky, and sensational pizza is a classic from the Shakey's archives that is being re-introduced to a new generation of Shakey's guests. This product re-introduction embodies our commitment to offering exciting menu options that cater to evolving taste buds, while still staying true to our well-loved classics.

The culinary adventure didn't stop there, as Shakey's introduced the New BLT Salad and Greek Salad, a fresh selection of salads crafted with the finest ingredients, appealing to health-conscious guests seeking a light and flavorful option. Additionally, the Holiday Collection launched for the Christmas season marked a significant milestone for Shakey's, as it ventured into the festive season with a specially curated menu for the first time. This collection of a pizza, pasta, dessert pizza, and milkshake was designed to add a touch of joy and celebration to every gathering, making it a memorable holiday experience for guests.



STRONGER TOGETHER: SHAKEY'S MOJOS COLLABORATION WITH POTATO CORNER



2023 saw the power of brand collaboration when Shakey's and Potato Corner came together with an exciting partnership involving two well-loved brands. In 2023, Shakey's and Potato Corner introduced Flavored Mojos, with the classic addicting flavors of Potato Corner being applied to the craveable Mojo potatoes that Shakey's guests love. This exciting limited-time offering became buzzworthy and created a clamor, and became an instant hit for lovers of Potato Corner and Shakey's alike.

SHAKHEY'S UNVEILS AND UPDATED DESIGN WITH A YOUTHFUL TWIST



In tandem with these culinary delights, Shakey's is also embarking on refreshing the brand design. The new approach combines modern aesthetics with a youthful vibe while preserving the cherished heritage of Shakey's. The updated branding aims to resonate with a new generation of guests, providing a fresh and inviting atmosphere while still embracing the timeless charm that has made Shakey's a staple in casual dining.

We recognize that dining out is more than just satisfying hunger; it's about creating memories and experiences. To cater to this, we've embarked on refreshing our store design. Starting with our new flagship store in Mindanao Avenue, our new look is modern and inviting, featuring elements that pay homage to our rich heritage while reflecting a contemporary vibe. This facelift creates a comfortable and engaging space for families and friends to gather and forge lasting connections.

SYNCHRONIZED COMMUNICATION CAMPAIGNS REFLECT MODERN AND YOUTHFUL TONE



When it comes to brand communication, our new advertising campaign, "There's NoTHIN like Shakey's," captures the essence of what makes us stand out. It's a celebration of our unique dining experience, from our iconic pizza and chicken 'n mojos to the fun and festive atmosphere. This campaign reinforces our brand identity and resonates with our core audience – families seeking a place to celebrate life's special moments.

By embracing innovation, refreshing our brand image, and forging strategic partnerships, Shakey's is ensuring its enduring legacy in the Philippine food service industry. We remain committed to providing our guests with a dining experience that is not just delicious, but also creates cherished memories for generations to come.

Potato Corner: Flavorful Collaborations in 2023

By: Oliver Angelo C. Sicam
GROUP DIRECTOR FOR MARKETING

Collaborations have become a secret sauce for building powerful brands. Through various partnerships, Potato Corner demonstrated how collaborations can amplify reach, build trust, and create memorable experiences for guests, in our ongoing pursuit to becoming an iconic global brand.



HARNESSING THE POWER OF COLLABORATION

Collaborations are more than just partnerships; they are transformative catalysts that unlock a myriad of benefits for brands. The amplification of reach and exposure, enhanced credibility, innovation, access to new markets, storytelling, cost efficiency, differentiation, and uniqueness are just some of the advantages that successful collaborations bring to the table. We at Potato Corner have embraced this ethos throughout 2023, together with our commitment to delighting our guests.



1. Harvest Chips – Potato Corner x Gawad Kalinga
One of the standout collaborations of the year was the union between Potato Corner and Gawad Kalinga, resulting in the creation of Harvest Chips. This delightful snack concept is made from locally sourced potato chips shaken with Potato Corner's signature flavors. This not only satisfies taste buds but also contributes to supporting underprivileged farmers across the Philippines, through Gawad Kalinga's Bayan-Anihan program, which empowers farmers with sustainable practices and essential resources, and creates a value chain that connects and uplifts the potential of the poor toward a future full of hope. This partnership not only showcased the brand's creativity but also its dedication to making a positive impact. It's a collaboration that transcended mere taste satisfaction; it created a ripple effect of goodness.



2. Potato Corner x Uniqlo Limited-Edition Collection
In an unexpected but delightful twist, Potato Corner joined forces with global fashion giant Uniqlo Philippines, bringing forth a limited-edition collection where fries meet fashion. Crisp white T-shirts adorned with Potato Corner's iconic mascot and tote bags featuring a Poco-inspired design showcased the fusion of crispy fries and trendy fashion. This collaboration allowed fans of the brand to express and deepen their love for Potato Corner. The exclusive collection was made available at the Uniqlo Manila Global Flagship Store, proving that fashion and fries make an irresistible combo.



3. Shakey's Collaboration: Flavored Mojos by Potato Corner and Shakey's
Potato Corner also teamed up with Shakey's and its well-loved Mojos to create a limited-time snack sensation – Flavored Mojos. Covered with Potato Corner's signature flavors, including BBQ, Sour Cream, and Cheese, these Mojos became an instant hit, offering guests a unique and flavorful twist to a classic favorite, and expanded the reach for each brand in a mutually beneficial collaboration.



A COMMITMENT TO INNOVATION AND FUTURE GROWTH

In the ever-evolving business landscape, Potato Corner stands as a testament to the fact that collaborations are not just a buzzword but a strategic tool for transforming good brands into great ones. As Potato Corner continues to explore new horizons and pioneer unique collaborations, guests can expect more delightful surprises and meaningful initiatives in the years to come.



Investing in Our Stores

Harmonizing Flavors: PIZZA's Recipe for Synergistic Network Expansion

By: Gilbert L. Tolentino

HEAD - CORPORATE BUSINESS DEVELOPMENT

Investing and operating multi-brand food establishments in both restaurant and kiosk formats has emerged as PIZZA's strategic avenue for growth and success. Expanding multiple food brands allows for diversification in product offerings, ambience, and target demographics. For the past three years, PIZZA has leveraged its ownership of Shakey's, Peri-Peri, Potato Corner, R&B, and Project Pie to create synergies in various areas, with business development being one of them.

The business development efforts of each business unit have now been combined in one cohesive force in pursuing strategically located sites. After careful demographic, market, and financial studies, the team agrees and decides which brands will create the most impact not only to PIZZA but also to its valued guests. Building relevance to the retail trade area of identified sites is among the priorities. Flexible collaboration models that cater to the needs of each business unit is openly discussed. Sharing of valuable insights and guest preferences between brands has been mutually beneficial and has truly added value in ensuring the viability of each identified location. Best operating practices are also highlighted in this synergy, and this not only improves the efficiencies for all brands but also helps mitigate costs pressures for each brand.

When negotiating with land-lords and lessors, we highlight and leverage the brand positioning and reputation of all the brands in farming long-term partnerships.

This enhances our bargaining position, establishes fruitful partnerships, and creates a framework for sustained success in the competitive food industry.



Recently, PIZZA opened its Mindanao Avenue space that houses all its WOW! Brands. This opening highlighted the collective brand equity of the portfolio, with each of the brands bringing a distinct flavor to the collaboration and gastronomic indulgences for guests. Guests are drawn to this multi-brand location because of what each of these brands has to offer. The vibrant design of the stores and the generous parking space has added to the attractiveness of this multi-brand collaboration. Overall, this does not only boost revenue but also brings a sense of loyalty among guests who appreciate the variety and fusion of flavors that each brand brings. Shakey's, Peri-Peri, Potato Corner, and R&B Milk and Fruit Tea in Mindanao Avenue is a thriving ecosystem where the whole is truly greater than the sum of its parts.

Investing in Our People

Fostering an Inclusive and Empowered Workforce

By: Maria Elma C. Santos

CHIEF HUMAN RESOURCES OFFICER



In 2023, PIZZA as an organization dedicated to continue its unwavering commitment to "Investing In People" as the foundation of sustainable development. As the market reopened and we coped with the effects of the pandemic and ongoing industry challenges, we re-awakened our efforts to focus on the most important resource that will fuel its continuous growth across different brands.

Foremost in its people initiatives, job creation remained to be the most impactful as the business continued to expand its different brands across multiple locations. In every community we enter, be it with Shakey's, Potato Corner, or any of our brands, we aimed to employ locals—a move that helped our workforce significantly grow. Complimentary to this is that we remain strong in our "Project NerDy" (Near and Ready), achieving as high as 80% of employees within a 30-minute distance of the branch they are employed in. We also provided on-the-job experience for more than 300+ Senior High School students readying themselves for a future in the food industry in partnership with schools in various areas.

Learning and development also remained a focal point of PIZZA's initiatives as we recognized the need and clamor of employees for skill development and leadership improvement.

In 2023, 85% of employees received learning interventions that will allow them to grow and thrive in the modern economy.

Both Store Operations teams and Corporate Support Employees engaged in learning activities that will help upskill them. The new ways of working has brought about new challenges in providing learning capabilities, but with the help of new HR technology and partnerships like LinkedIn Learning, we were able to bring training on demand to our employees anywhere at their convenience.



Furthermore, career progression as product of a growing and expanding organization provided career opportunities and new pathways for our employees. The good proportion of our employees receiving promotions in the organization is a testament of our commitment to provide compelling career growth within. Our multi-brand organization has provided not just lateral growth but also horizontal movements for employees, allowing them to be exposed to new roles and new businesses.



To promote a more holistic development for our employees, we also embraced the changing workforce's need for a more balanced work-life environment by embedding various culture building activities and "Fun at Work" employee events.

These events not only allow a break from routine, but also build a strong camaraderie among teams and brands. We acknowledge that more employee interactions help build a more collaborative PIZZA team.



Our commitment to being a diverse and inclusive organization was further fortified as we remained true to our efforts of promoting a nurturing working environment even for the more vulnerable members of our society. We remained steadfast in our partner programs such as DSAPI for the Love 'Em Down Program employing 50 kids with Down Syndrome in our Shakey's and Peri-Peri stores. We also increased our hiring of Senior Citizens and Persons With Disabilities (PWD) program from 20 in the previous year to more than a hundred hires in 2023 as we partnered with various Local Governments such as City of Manila, Muntinlupa. With this, PIZZA contributes to a more inclusive and equitable world.

As we look to the future, PIZZA will not falter on its aspirations to create jobs, build an engaged and inspired workforce, and provide compelling careers through its food brands. We have a "Vow to WOW" people—thus, the transformative power of investing in people to drive sustainable progress will always be our priority.



A Word from Our Franchisees



From: Danny Tan LONG-TERM SHAKEY'S FRANCHISEE IN VISAYAS AND MINDANAO

We have been Shakey's franchisees for a long time—since 1978! Through the years, we have seen the brand grow and evolve in tandem with our country's economic development. A brand will naturally experience many up and down moments in its lifespan. What has always stayed constant is the unwavering support and dedication that has always been present from the Shakey's leadership, now embodied by PIZZA and its gold-standard management committee. By always keeping a lookout on the changing trends and practices of an extremely fast-paced industry, Shakey's has always stayed a great business for us, most especially cash-flow wise. The directions that PIZZA is taking us towards, partnering and leveraging best-in-class brands, will only serve to bolster the Shakey's system and keep it relevant in the decades to come.



Shakey's Bohol, the latest store opened by Mr. Tan in July 2023.



Franchisee Danny Tan (third from right), son Allen Tan (second from right), with the Shakey's team.

From: Pong Thongcharoen CHIEF EXECUTIVE OFFICER, ROCKS GROUP (POTATO CORNER THAILAND/ MALAYSIA FRANCHISEE)

As a franchisee of Potato Corner in Thailand and Malaysia, we've been incredibly lucky to have a great partner like PIZZA. The vision that PIZZA has for Potato Corner and its international potential is ambitious and they are laying the foundation that is required to build a truly great international brand, whether it'd be in terms of operations, brand building, supply chains, etc.

As we've reached the significant milestone of 100th store in Thailand the past year, we are entering a new phase that we are no longer a small player, but rather a mature and sizable one which will require even higher standards and quality in all aspects. We believe that our partnership with PIZZA will yield exactly that now and far beyond into the future.

Our way of working with PIZZA is that of trust and mutual respect and they have given us all the right support in order for us to grow, while allowing us to have the flexibility to localize and tailor the products to local markets, as has always been the strength of Potato Corner.

We believe that with PIZZA at the helm of Potato Corner, the brand will continue to grow exponentially and sustainably in different countries around the world, demonstrating the universality of the brand and its products. Having a good partner is probably the most important thing in long term business relationships like ours with PIZZA, and I'm glad we've got the right one.



Rocks Group CEO Pong Thongcharoen (third from right), with PIZZA CEO Vic Gregorio (center) in the opening of Rocks Group's first Potato Corner store in Malaysia

Hear It from Our Guests

Thank you, my cravings were satisfied! Shout out to the crew, even if he was tired after a long day and even if the mall was about to close, he still accommodated my order. All the other stores I tried to approach were already closed. The crew was really kind to take my order. Thank you so much!

**A, POTATO CORNER
SM CLARK GUEST**

We ate at Shakey's and the service was excellent. The staff who assisted us were very kind and the food was so delicious. We availed of the birthday promo and we were shocked that we had two free pizzas. We will come back again to this branch and will celebrate every occasion that will come. Thank you.

**B, SHAKEY'S
BUTING GUEST**

Overall, my experience at Peri-Peri was nothing short of extraordinary. From start to finish, every aspect exceeded my expectations. It comes as no surprise that this restaurant has received such positive reviews from patrons who have had the pleasure of dining here. If you are looking for a memorable culinary experience filled with flavor and warmth, look no further than Peri-Peri - a true gem in our city's culinary landscape.

**M, PERI-PERI
VERMOSA GUEST**

From their lasagna to their spaghetti and back to their pizza, every flavor is unique. Their staff is kind and we always love to stop by here after grocery shopping.

**C, PROJECT PIE
ANTIPOLO GUEST**

Our whole family loves Potato Corner fries! From its early days, we were already hooked and we always buy a lot especially when our grandkids see your stalls/stores.

**M, POTATO CORNER
ONLINE GUEST FEEDBACK**

Me, as a fan of Mojos, I really appreciate the innovation [Shakey's and Potato Corner Flavored Mojos collaboration]. Tasted so good and savory!

**D, SHAKEY'S
QUEZON AVENUE GUEST**

100% delicious, especially the chicken! The crew is really nice, and the store is clean. I want to try the other items on the menu next time.

**J, PERI-PERI
SM NORTH EDSA GUEST**

First time to try R&B Milk Tea. Our order did not come out the way we were expecting it to, so we informed the crew and he quickly offered to replace the drink, which made a very good first impression for us. We replaced our initial order with TNT Booster which is a good choice. We also got Brown Sugar Pearls Milk Tea with Cheese Cream, it's so worth its price and a great partner to Potato Corner. Will definitely be back.

**R, R&B MCX
DRIVE THRU GUEST**

2023 at a Glance



268
Shakey's
Stores



77
Peri-Peri
Stores



9
R&B Stores
& Kiosks



3
Project Pie
Stores



1,784
Potato Corner
Kiosks



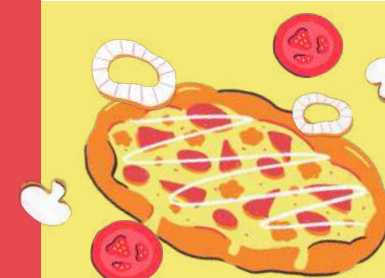
1,862
Total Stores
and Kiosks in
the Philippines



279
International
Stores and
Kiosks

P18.6B
in Systemwide
Sales

P12.8B
in Revenues



11.6M
pizzas sold



5.2M
kg of
chicken sold



1.1M
cups of
tea sold



37.4M
cups of flavored
fries sold

1st
Potato Corner
Company-Owned
Store in China

More than
2 million
Supercard
Members

Second year
of Shakey's
Super League

Reached
Php1B mark in
net income

7th Anniversary of Listing on the Philippine Stock Exchange (PSE)

23%
Market Share*
Philippines' Leader in
Chained Full-Service
Restaurants

68%
Market Share*
Philippines' Leader in
Full-Service Pizza
Chain Restaurants

14%
Market Share*
Philippines' Leader in
Chained Kiosks

18,187
jobs supported

*Source: Euromonitor, internal data

Economic Value We Create

101-1

In 2023, we were able to generate a total of Php 12.9 billion in economic value, increasing by 26% from the year before, attributable to the growth in our systemwide sales.



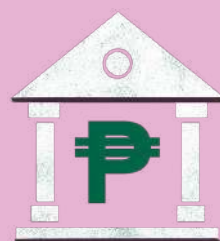
74% Payment to Suppliers and Other Operating Expenses

Procurement, production, and other operating costs comprised most of our economic value distribution at 74%.



13% Payment to Our People

Employee salaries, wages, and benefits amounted to Php 1.6 billion in 2023, which is 13% of our total economic value.



3% Payment to Providers of Capital

Total dividends paid and finance costs amounted to Php 407 million or 3% of the economic value generated.



2% Payment to Government

Taxes paid to the government comprised 2% of the economic value generated, amounting to Php 346 million.



8% Economic Value Retained

Of the Php 12.9 billion economic value that we generated this year, Php 1.0 billion is retained by the company.

Our Business Presence

2-1

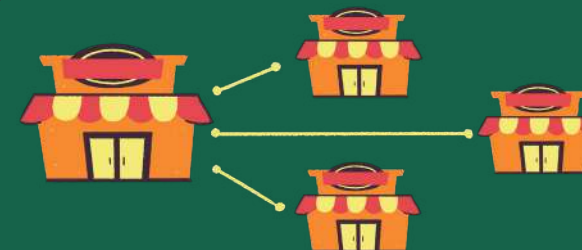


63%
of Systemwide Sales*

*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.



2,141
Stores and Kiosks

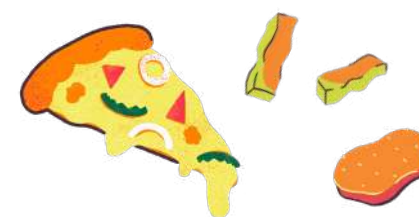
STORE EXPANSION

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 10 stores, ending the year with 357 stores across four brands. As for Potato Corner, we expanded our global network by 359, reaching 1,784 kiosks by year-end. This brings our store network total to 2,141 stores and kiosks in 2023.

SYSTEMWIDE STORE NETWORK

By Brand

As we continue to grow the Shakey's brand throughout the country, we now also have the 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 Milk Tea and Project Pie, PIZZA is in a position ready for long-term growth.



Casual Dining Brands

75%

22%

3%

● Shakey's ● Peri-Peri ● R&B and Project Pie

Casual Dining vs Potato Corner

17%

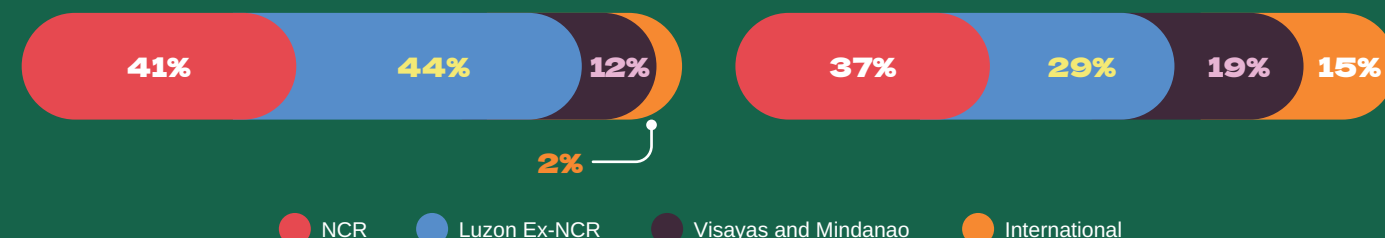
83%

● Casual Dining ● Potato Corner

By Location

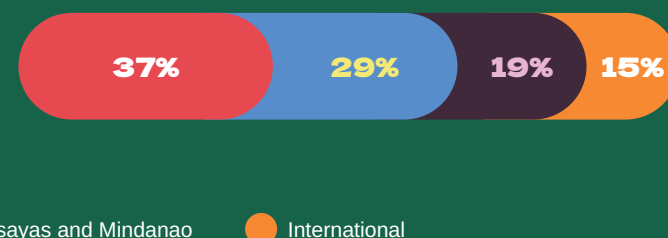
Casual Dining Brands

A significant portion of our casual dining brands' stores are located in Luzon, with our presence outside Metro Manila now larger compared to our National Capital Region (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

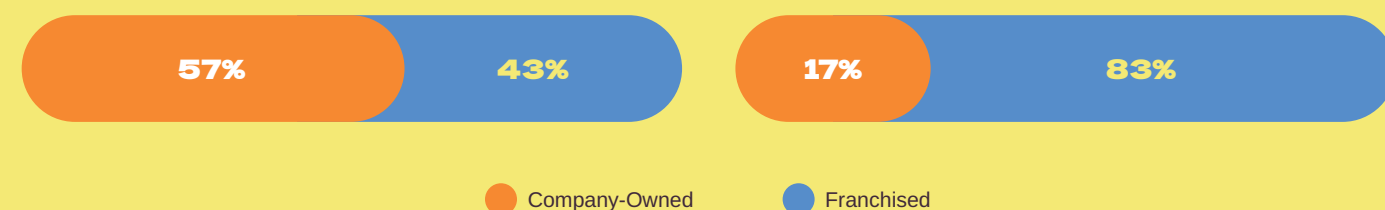
Similarly, majority of our Potato Corner stores are located in Luzon and NCR, with opportunities to expand throughout the rest of the country. In addition, the brand has a strong international presence, with 15% of its store network located outside of the Philippines.



By Ownership

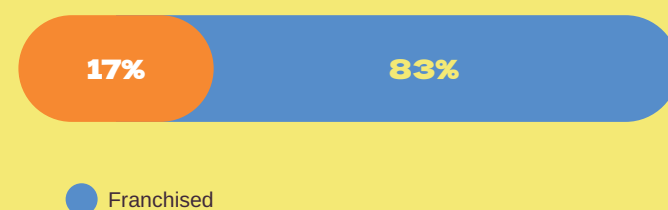
Casual Dining Brands

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

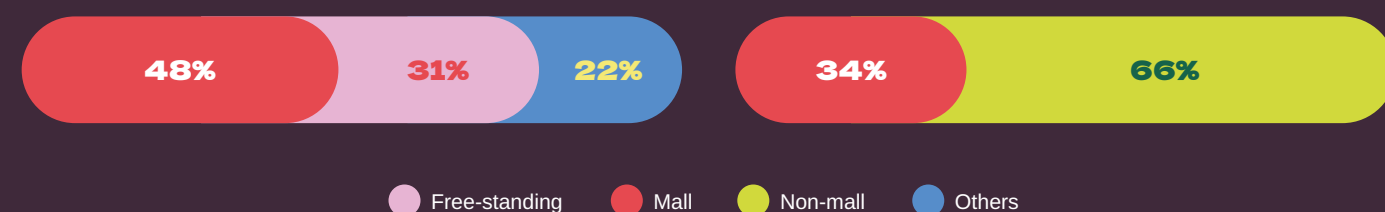
On the other hand, Potato Corner is a predominantly franchising business, with over 80% of the stores owned by our franchisee partners. Our franchisees have been instrumental to growing the Potato Corner network to where it is now, and the brand will continue to be a platform to support micro- and small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



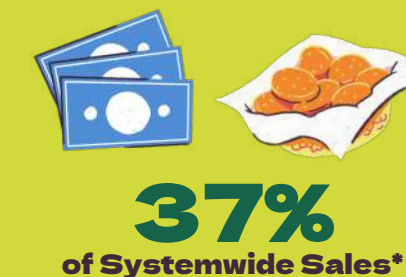
Potato Corner

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



DELIVERY & CARRY-OUT

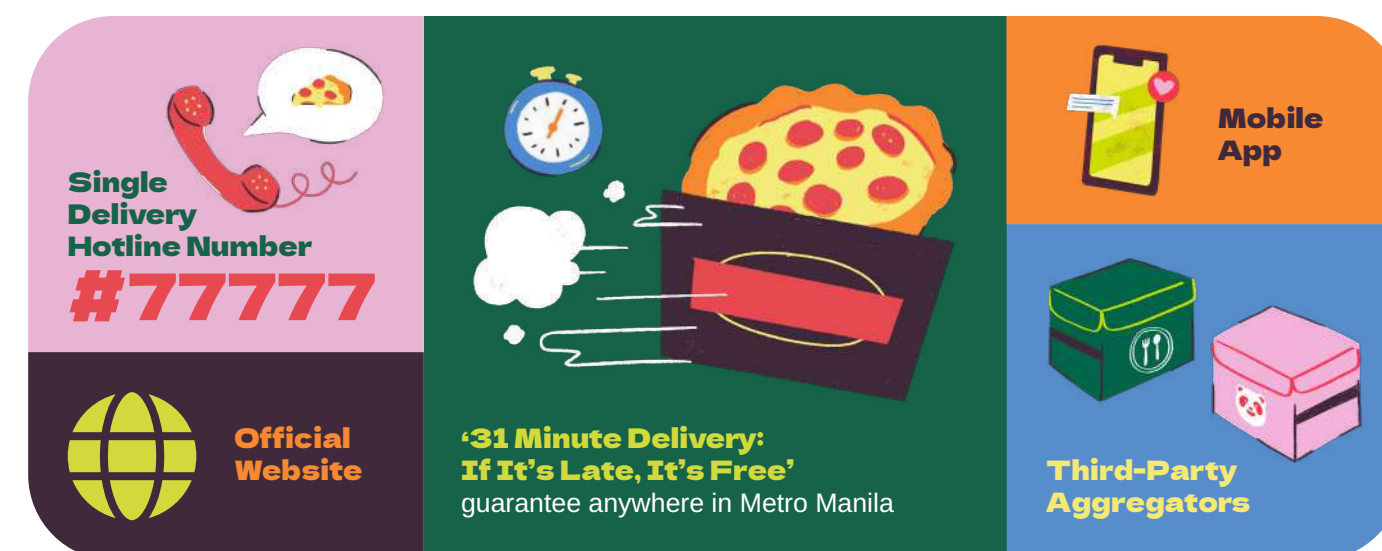
Guests can also enjoy our products via our off-premise channels. These serve as a steady stream of revenue given the rising need for convenience especially within Metro Manila and the want for more value offerings and services. In addition, these allow guests who are more health and safety-conscious to enjoy Shakey's or Peri 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

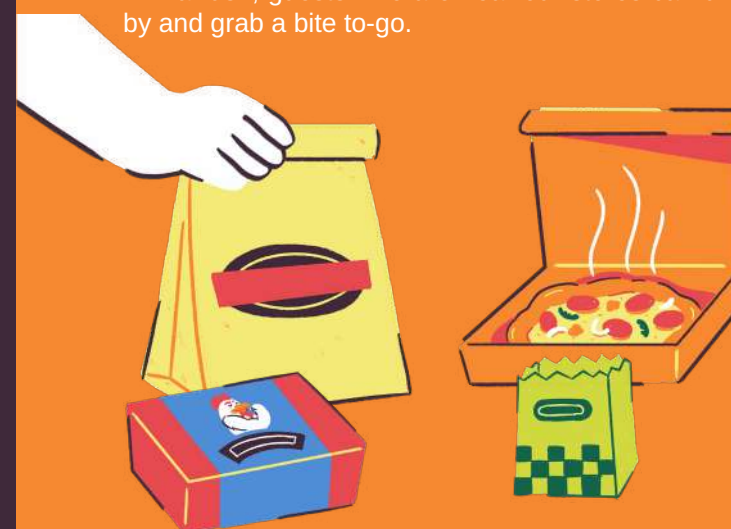
Delivery

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 and company-owned Potato Corner kiosks 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.



2023 Milestones

FEBRUARY



Peri-Peri Love 'Em Down

Expanded the hiring program for individuals with Down Syndrome to Peri-Peri stores

MARCH



PC Franchise Roadshow

Onboarded partner franchisees on our plans, aligned on best practices, and provided necessary tools and programs to help accelerate their businesses

JULY



Harvest Chips

Partnered with Gawad Kalinga to offer GK's potato chips in Potato Corner's flavors in select PC outlets



PC National Fries Weekend

Expanded longstanding one-day promotion for National Fries Day into a four-day event

MAY



Flavored Mojos

Launched a collaboration between Shakey's renowned Mojos and Potato Corner's signature flavors

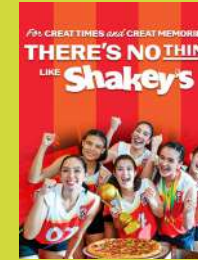
AUGUST



Potato Corner 100th Thailand Store

Opened milestone 100th Thailand outlet in Robinson Lifestyle, Chonburi

SEPTEMBER



Shakey's Super League

Sponsored the second year of Shakey's Super League for collegiate women's volleyball



PC x Uniqlo

Released limited edition Potato Corner-branded merchandise at Uniqlo stores



2023 Golden Arrow Awards

Awarded first Golden Arrow Award by the Institute of Corporate Directors based on the ASEAN Corporate Governance Scorecard



Peri-Peri 75th Store

Opened milestone 75th store in New Gateway, Araneta Center Cubao

DECEMBER



2023 IR Magazine Awards

Awarded Best Investor Relations During a Corporate Transaction in Southeast Asia



WOW! Flagship Complex

Opened Shakey's in Mindanao Avenue WOW! Flagship Complex that will house all WOW! Brands

NOVEMBER



First Company-Owned Potato Corner China Outlet

Opened first company-owned China outlet in Wujiang Road, Shanghai



Potato Corner Malaysia

Opened first Malaysia outlet in Sunway Pyramid, Jaya

Financial Highlights



| For The 12 Months Ended 31 December (in PHP Million) | | | |
|--|--------|--------|----------|
| | 2023 | 2022 | % Change |
| Profit Loss Statement | | | |
| Systemwide Sales | 18,640 | 14,087 | 32% |
| Net Sales | 12,824 | 10,142 | 26% |
| EBITDA (Reported) | 2,363 | 2,059 | 15% |
| Net Income (Reported) | 1,079 | 874 | 23% |
| Balance Sheet | | | |
| Cash | 901 | 990 | -9% |
| Total Assets | 18,628 | 17,708 | 5% |
| Interest-Bearing Debt | 5,943 | 5,791 | 3% |
| Total Liabilities | 10,669 | 10,663 | 0% |
| Total Equity | 7,959 | 7,046 | 13% |
| Cash Flows | | | |
| Operating Cash Flows | 1,181 | 1,618 | -27% |
| Capital Expenditures | 501 | 1,172 | -57% |
| Free Cash Flows | 680 | 446 | 52% |
| Net Change in Cash (Including Exchange Rate Effects) | -88 | 504 | -118% |
| Ratios | | | |
| Return on Equity | 14.4% | 13.2% | +1.2 pps |
| Net Gearing Ratio | 0.6x | 0.7x | -0.1x |
| Net Interest-Bearing Debt-to-EBITDA Ratio | 2.2x | 2.3x | -0.1x |

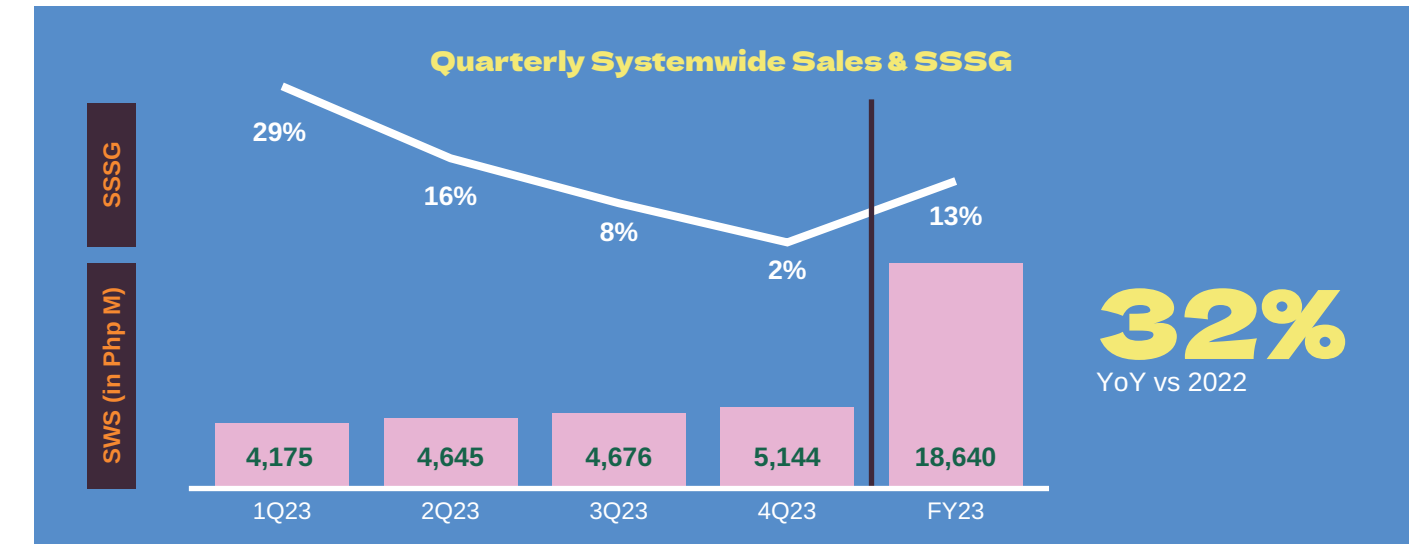
32%
Systemwide Sales
Growth vs 2022

18%
EBITDA Margin

0.6x
Net Gearing

| P&L Highlights in PHP Million | | | | | |
|--|------------|------------|------------|------------|------------|
| | 2019 | 2020 | 2021 | 2022 | 2023 |
| Systemwide Sales | 10,384 | 6,622 | 7,011 | 14,087 | 18,640 |
| Revenues | 8,239 | 5,297 | 5,480 | 10,142 | 12,824 |
| EBITDA | 1,971 | 459 | 1,021 | 2,059 | 2,363 |
| Margin | 23.9% | 8.7% | 18.6% | 20.3% | 18.4% |
| Change YoY (2022-2023) | | | | | -1.9 pps |
| Net Income | 865 | -254 | 123 | 874 | 1,079 |
| Margin | 10.5% | -4.8% | 2.2% | 8.6% | 8.4% |
| Change YoY (2022-2023) | | | | | -0.2 pps |
| Cash Flow Highlights in PHP Million | | | | | |
| Operating Cash Flow | 1,704 | 328 | 986 | 1,618 | 1,181 |
| Capital Expenditure | 688 | 252 | 281 | 767 | 501 |
| Free Cash Flow | 1,016 | 76 | 705 | 446 | 680 |
| Cash Conversion Cycle (in days) | 1 | 9 | 2 | -14 | 33 |
| Other Highlights | | | | | |
| Return on Equity | 18% | -5% | 2% | 13% | 14% |
| Net Gearing Ratio | 0.8x | 0.9x | 0.5x | 0.7x | 0.6x |
| Net Interest-Bearing Debt-to-EBITDA Ratio | 2.0x | 9.2x | 3.2x | 2.3x | 2.2x |
| Total Assets | PHP12,333M | PHP12,220M | PHP12,635M | PHP17,708M | PHP18,628M |

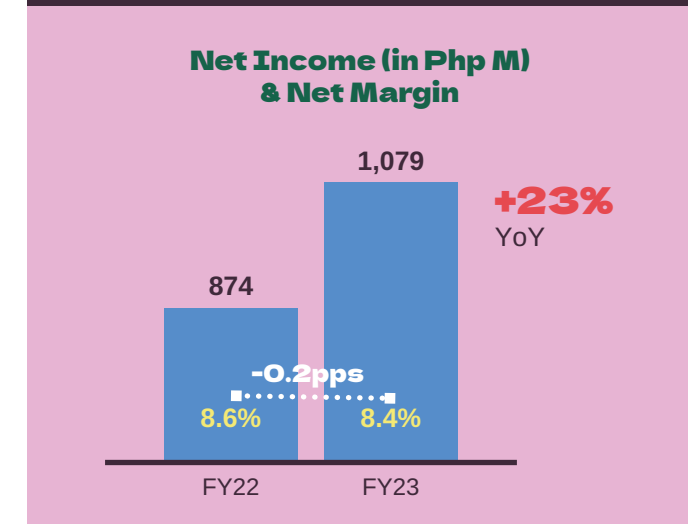
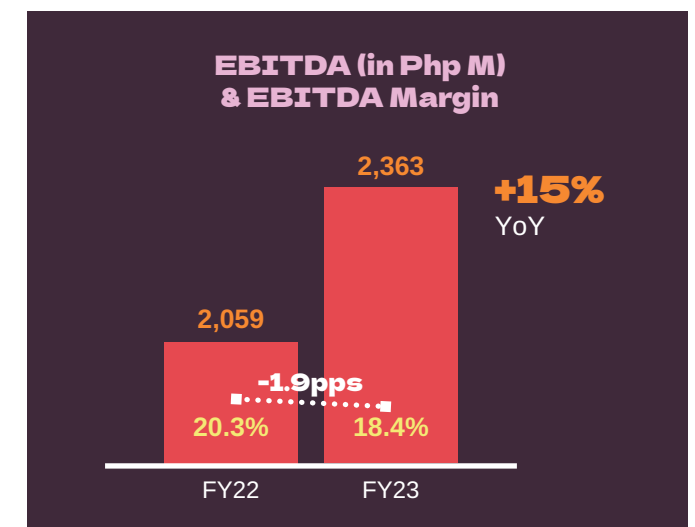
Measuring Our Financial Performance



Systemwide sales, the combined sales of both company-owned and franchised stores, amounted to 18.6 billion in 2023, a growth of 32% notwithstanding the high base we saw in 2022 of 14.1 billion. The outsized 2023 systemwide sales performance was fueled by two major factors. First, the continuous return of foot traffic, which drove dine-in sales and the further build-up of celebrations, especially during holiday period. In light of an inflationary environment, guests in both full-service restaurants and kiosks resonated with the value offerings across our multi-brand portfolio. Full-year SSSG stood at 13%. And second – the growth of our Group's network. In 2023, the network expanded by at least 20% and we opened 369 new stores and outlets to culminate the year with a 2,141 global network. Of these, 60 were opened internationally, increasing our brand's presence in key markets.

Looking at our profitability, during the year, we saw rising input costs and we built up our inventory covers going into the second half of 2023. In addition, we re-invested significantly in infrastructure including the organization that supports domestic and international expansion. Nonetheless, we were able to grow EBITDA by 15% year-on-year, registering at 2.4B and margins of 18.4%.

We are also pleased to share that amidst a challenging macro-economic environment, we were able to post double-digit bottomline growth of 23% and reach 1.1B in net profits. We aim to sustain our positive growth trajectory, and moving forward with the plans we have in place for our multi-brand portfolio, we expect to sustain a new and stronger double-digit growth run for PIZZA.



Sustainability at Shakey's



About this Chapter



2-2

2-3



This chapter provides information on the consolidated environmental and social performance of Shakey's Pizza Asia Ventures Inc., ("PIZZA") from January to December 2023, in alignment with our financial year.

In this chapter, 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, commissaries 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 Shakey's International stores, which account for only 1% of our sales and store network, are excluded from this sustainability chapter.

PIZZA has prepared its sustainability disclosures and annual report with reference to the latest 2021 GRI Standards. As part of our ongoing commitment to inspire our stakeholders to contribute to sustainable development, we continue to share not only our progress and opportunities, but also our challenges and learnings. We continue to improve our data collection systems every year to further improve the accuracy, depth, completeness, and comparability of our disclosures.

Our Sustainability Commitment

OUR COMMITMENT

2-22

PIZZA recognizes the significance of long-term sustainable growth as a food consumer company in the Philippines. We are committed to not only enhance the vitality of our suite of brands but also to positively impact economic development by enriching the communities we serve. Building upon our enduring legacy as a market leader, we are forging ahead with ambition to scale and find synergies across our portfolio, ensuring that our core brand continues to resonate with guests both old and new.

We are embracing and pursuing global opportunities, leveraging our growth booster brands to future-proof our business. By embracing rapid expansion with strategic acumen, PIZZA positions itself at the forefront of the casual dining evolution, offering entrepreneurial and

employment opportunities that bolster the economy in the Philippines and uplift our community.

At PIZZA, we believe that expanding our stores and guest base must go hand in hand with responsible growth. Our vision of becoming the country's preferred and dominant casual dining and food service player hinges on our commitment to sustainability, inclusivity, and ethical practices. To fulfill this commitment, we focus on three key pillars: People, Planet, and Pizza. We have established Corporate Governance and Sustainability Committees to integrate sustainability principles into our governance framework. This ensures we continuously evaluate and adapt to sustainability-related risks and opportunities, positioning PIZZA as a leader in responsible business practices.



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 sustainability framework, reporting disclosures, and targets are grounded in our material topics. To ensure these topics are identified through an inclusive and comprehensive approach, we engage a wide range of stakeholders in the materiality assessment process.

In 2018, we connected with both internal and external parties—including middle management, senior leadership, the Board of Directors, investors, and key business partners like suppliers, distributors, and customers—to understand their perspectives on the risks, opportunities, and priorities crucial for the sustainability of our organization. Through these dialogues, we pinpointed the sustainability issues that matter most to our stakeholders and to our business operations.


Following this, we refined our list of material topics and established a focused framework to guide our impact on the business, our stakeholders, and the planet. We outlined preliminary metrics and strategies to track our progress on these topics. Our commitment to stakeholder engagement is ongoing; we consistently review stakeholder concerns to ensure our material topics remain pertinent and our actions continue to align with their interests (refer to the How We Engage section of this report for further details). To stay responsive to the changing sustainability landscape, our Board-level Corporate Governance and Sustainability Committee, along with the Sustainability Steering Committee, regularly evaluates risks, opportunities, and new developments, adapting our focus on material topics as needed.

SUSTAINABILITY FRAMEWORK

3-2

Our Sustainability Framework is comprised of three key pillars, People, Planet, and Pizza. The framework details our positive impacts and those sustainability issues most relevant to our business and our stakeholders.

3 Pillars

| | | |
|--|---|---|
| <p>PEOPLE</p>  <p>Human and social capital remain crucial to our business. We highly value our employees, guests, and the communities that we work with.</p>  | <p>PLANET</p>  <p>Our use of resources and its consequential impacts are diligently monitored to enable us to carefully manage the inputs on which our business relies.</p>  | <p>PIZZA</p>  <p>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.</p>  |
|--|---|---|

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

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



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 Net Zero Plastic Waste (third-party verified) across the entire business.

Landfill Waste Reduction

We explore ways to minimize our packaging and waste footprint.

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SHAKEY’S PIZZA ASIA VENTURES, INC.

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

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PIZZA ensures that effective governance is in place to deliver on our sustainability commitments.

The Board-level Corporate Governance and Sustainability Committee oversees implementation of our sustainability framework and regularly reviews sustainability risks and opportunities. The committee is chaired by a Non-Executive Independent Director, ensuring an independent and objective view of business-critical issues. The committee receives semi-annual updates on the company’s sustainability progress and corporate governance and advises the Sustainability Steering Committee accordingly. In coordination with 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.

Our Management Sustainability Steering Committee, composed of senior executives of key functions and business units and spearheaded by our Chairman and CEO, is responsible for embedding sustainability into 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 to further the sustainability framework. The Investor Relations Department acts as secretariat to the meetings and ensures that PIZZA’s governance structure operates smoothly and efficiently.

At PIZZA, we recognize that sustainability is a collective responsibility. To generate lasting impact, we strive to integrate our sustainability initiatives into our business practices. We have decentralized the responsibility for sustainability, entrusting the leaders of our business units to engage their teams and integrate sustainability considerations directly into business decisions.

SUSTAINABILITY & ANNUAL REPORT 2023

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Pizza Honored Award for Corporate Governance Excellence
 PIZZA garnered recognition from the Institute of Corporate Directors (ICD) with a Golden Arrow Award at the ASEAN Corporate Governance Scorecard (ACGS) event in September 2023. This accolade celebrates PIZZA's commitment to exemplary corporate governance practices among Filipino publicly listed companies. The award reflects the company's success in prioritizing shareholder rights, ensuring equitable treatment, maintaining transparency and accountability, and steering corporate strategy through effective board oversight. PIZZA's first Golden Arrow Award signifies a major landmark in their enduring dedication to corporate governance excellence—a critical element as the company continues to grow and innovate.

| Corporate Governance & Sustainability Committee | | Steering Committee | |
|---|--|---|--|
| Chairman Paulo Campos Independent Director Founding Managing General Partner of Kaya Founders and Co-founder of Zalora Philippines | Core | | |
| | Christopher Po Chairman | Jennifer Tan Group Procurement Director | |
| | Ricardo Po, Jr. Vice Chairman | Myrose Victor Head of Investor Relations | |
| | Vicente Gregorio President & CEO | Jenifer San Juan-Tecson Investor Relations | |
| | Jean Lapa Executive Development Consultant | | |
| Members Fernan Lukban Independent Director Highly regarded consultant in family business, strategy, entrepreneurship, and good governance; founding fellow of the institute of Corporate Directors | People | | |
| | Jorge Concepcion Shakey's COO | Yiow Tan Group Director - International | |
| | Rommel Turbanos Peri-Peri GM | Marielle Santos Chief HR Officer | |
| | Jose Arnold Alvero Potato Corner COO | | |
| Frances Yu Independent Director Retail strategist and market research practitioner, Founder of FJY Consulting, Inc., and former VP of Rustan's supermarket | Planet | | |
| | Grace Requinala Systems Manager | Kathrina David Supply Chain Management Head | |
| | Pizza | | |
| | Gale Roque Quality Assurance Manager | Oliver Sicam Group Director – Marketing and R&D | |

Understanding Our Impacts

2-6

Our sustainability strategy is anchored on the environmental, social, and economic impacts of various business activities along our value chain. We map PIZZA's relevant sustainability issues against our value chain in order to 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



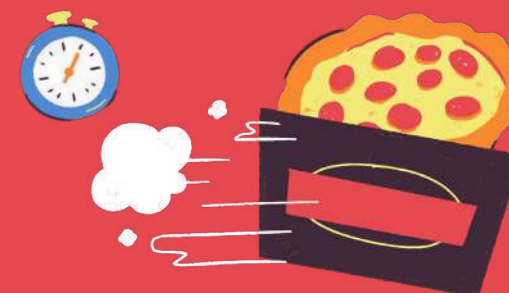
Procurement, storage, and distribution of food and non-food materials

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



Natural Resource Efficiency

Environmental Impact Management

Supply Chain Management

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

- Town hall meetings
- Performance appraisals
- Training and development programs
- Informal training and mentorship
- Email blasts and social media
- Team building activities
- Collective Bargaining Agreement

- Career growth and development
- Employee salaries and benefits
- Growing organization



- Training and mentorship programs
- Proper compensation and benefits and voluntary store reassignment programs
- Organizational review and manpower planning



Guests

- Store service
- In-store feedback mechanism
- Guest feedback channels (Email, SMS, Website, App)
- Social media channels – Facebook, Twitter, Instagram, Viber



- Quality of service in both dine in and delivery channels
- Food quality and safety
- Safe eating environment
- Delivery app performance
- Availability of major products



- 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


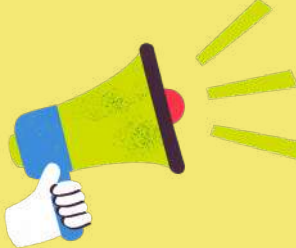

- Consultation sessions prior to store opening
- Community and advocacy events



- Quality of service
- Hiring opportunities
- Corporate social responsibility



- Partnership with the Down Syndrome Association of the Philippines to provide job opportunities for individuals with Down Syndrome
- Partnership with various Local Government Units in Metro 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 and 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 |

People



EMPLOYEES

Diversity and Inclusion

3-3

2-7

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 Humans Resource 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.

As we progress, our focus remains on identifying and nurturing the best talent, recognizing the unique contributions that individuals from diverse backgrounds can bring to our team. We aspire to evolve our leadership composition to include a breadth of perspectives, enhancing our ability to innovate and maintain a competitive edge. In every facet of our business, we are committed to fostering an environment where excellence is the cornerstone, and diversity and inclusion are simply the result of our pursuit of the highest caliber of talent and leadership.

2,269

Total employees in 2023

(2022: 1,724)

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 2023.

4,831

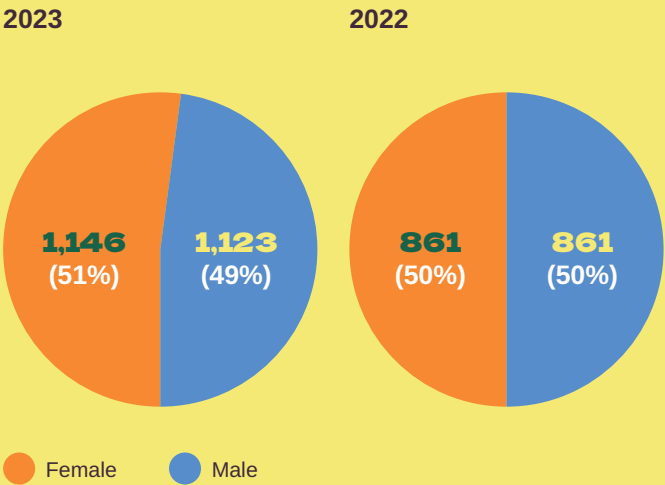
Total workers in 2023

(2022: 3,759)

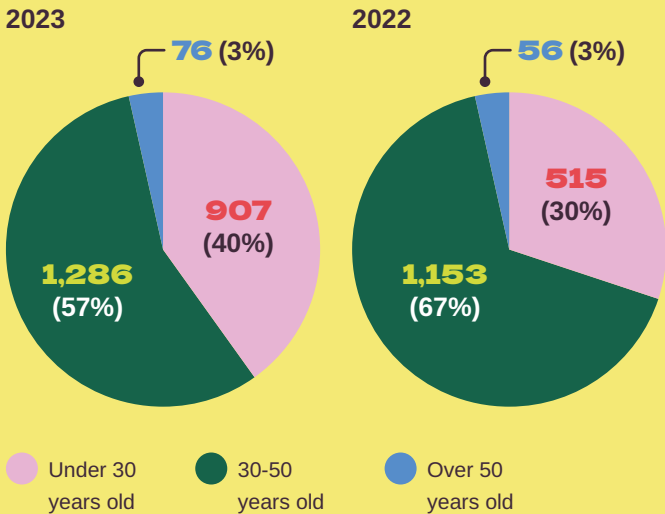
Including outsourced personnel, our workforce in 2023 amounted to 7,100. Outsourced personnel are vital to our operations as they comprise all our store riders, store members, participants from our inclusive hiring programs, cluster maintenance technicians, and utilities.

Employee Breakdown

By gender

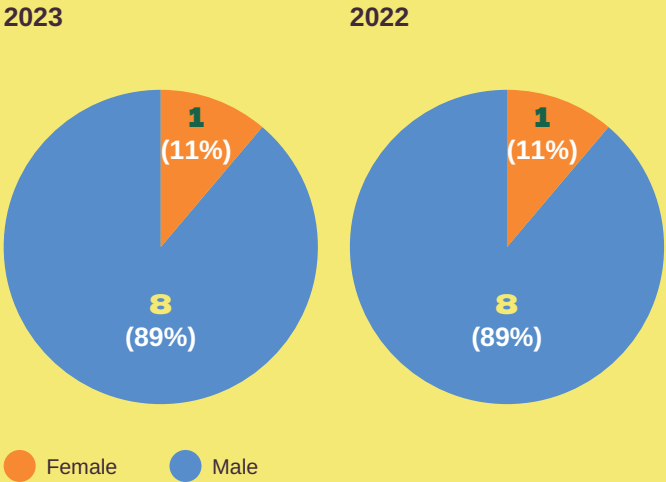


By age

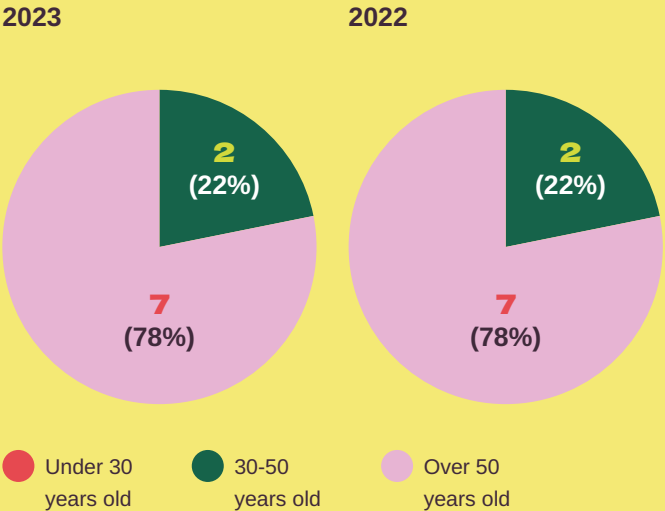


Board of Directors Breakdown

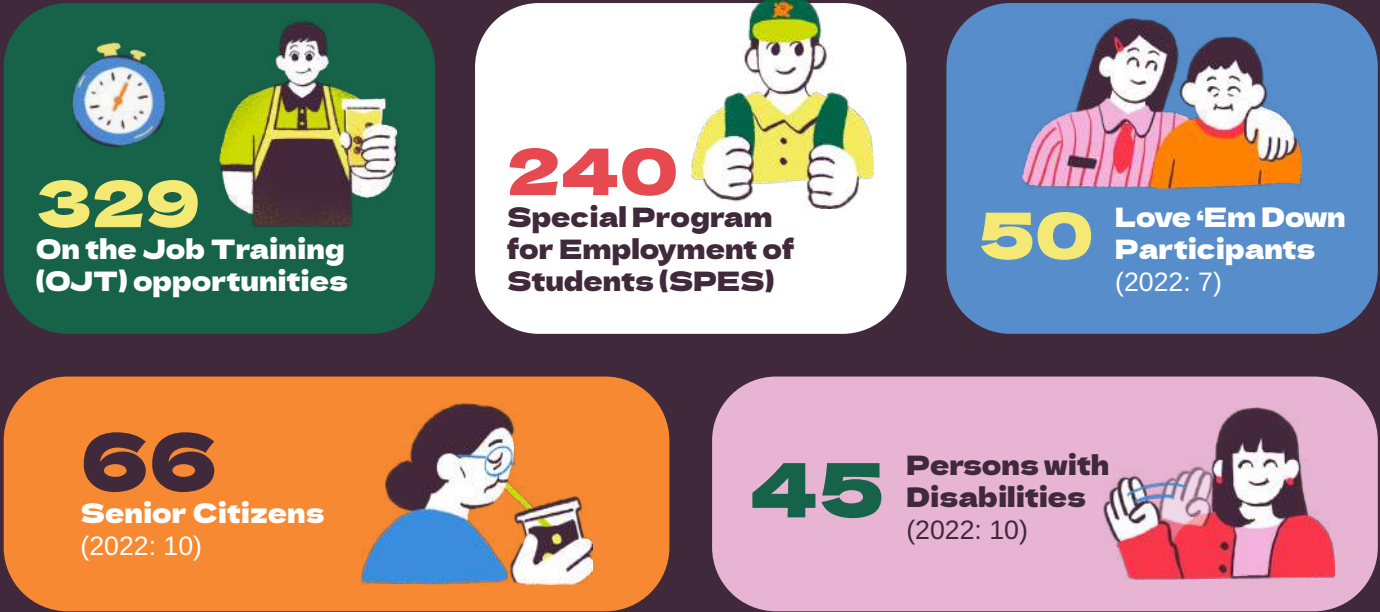
By gender



By age



2023 Inclusivity at PIZZA in Numbers



Embracing Tomorrow's Workforce

PIZZA, in collaboration with the Department of Labor and Employment (DOLE), hosted the Student and Out of School Youth Job Caravan under the Special Program for Employment of Students (SPES) in June 2023. Over six days, we provided employment opportunities to students and out-of-school youth, reflecting our commitment to promoting the quality of life through inclusive hiring practices.

SPOTLIGHT STORY:
Empowering Communities:
PIZZA's Path to Inclusive Employment

Under leadership of President and Chief Executive Officer Vicente Gregorio, PIZZA has demonstrated a deep commitment to breaking cycles of inequity through inclusive hiring practices. The company's efforts, highlighted in their partnerships with the Public Employment Service Office (PESO) of Manila and the Down Syndrome Association of the Philippines (DSAPI), emphasize their dedication to providing job opportunities for senior citizens, persons-with-disabilities (PWDs), and individuals with Down Syndrome. These initiatives are part of PIZZA's broader sustainability and community engagement goals, aiming to remove barriers to dignified employment and promote meaningful interaction within the communities they serve.



The "Love 'Em Down" program, in collaboration with DSAPI, is a cornerstone of PIZZA's commitment to inclusivity, offering individuals with Down Syndrome not only employment but also the chance to build skills and contribute meaningfully to the workplace. This initiative enriches PIZZA's stores with the unique passion and dedication of its participants, thereby enhancing the customer experience and creating a more welcoming atmosphere.

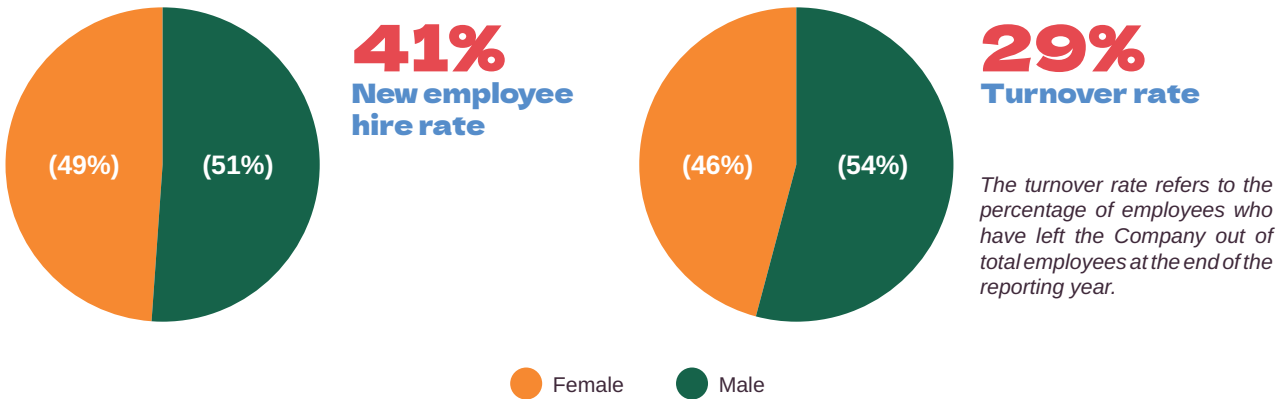
A noteworthy development in 2023 was the expansion of these inclusivity efforts through PIZZA's subsidiary, Peri-Peri Charcoal Chicken & Sauce Bar. During the year Peri-Peri achieved its target of doubling its inclusivity hires, with seventeen participants at the close of 2023 including 11 senior citizens and six persons with disabilities.

By launching and actively promoting these hiring programs, PIZZA not only strives to make a significant social impact but also hopes to inspire other corporations to follow suit. The ultimate goal is to foster a more inclusive society, where diverse talents and abilities are valued and where everyone has the opportunity to contribute to their community.

Talent Acquisition and Management

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

At PIZZA, we believe that our 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.



Training and Development

PIZZA'S Human Resources Division stands at the helm of our employees' growth. Guided by our Training and Development policy, our HR teams work with our Department Heads to develop and deliver 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

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 guidelines, 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

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

Our training programs include tailored courses, classroom training, on-the-job training, and learning assessment tests. Graduates of training programs receive a certification upon completion. We also offer training opportunities through stand-alone courses, open to full-time and outsourced employees.

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



PIZZA'S WOW! Culture
PIZZA's corporate "WOW!" Culture is built around the WOW! Principle, which is the core of the company's service ethos. This principle is guided by three imperatives—being better than before, better than others, and better than expected, setting a dynamic performance metric that pushes boundaries.

The application of the WOW! Culture towards guests is termed 'WOW the Guest', which focuses on consistently exceeding guests' expectations. It is a practice of assessing every interaction through the lens of the three imperatives of WOW-ing, with a robust system to ensure every experience is better than the last, exceeds industry standards, and surpasses what the guests anticipate.



88
Average training hours per employee in 2023

Average training hours by gender



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. PIZZA employees are evaluated against our core WOW! Values through the PMS.

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 our Individual Development Plan (IDP), selected high-potential individuals collaborate with their manager, selecting 3-4 areas to work on during the year and developing a tailored plan to enhance performance. Since 2019, this development program has sought to close competency gaps and promote career growth

while empowering 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.

97% of our employees, from rank-and-file all the way to executive levels, went through a performance review process in 2023.



261
full-time employees received promotions in rank and positions

As a result of our various training and development efforts and robust performance management system, 12% of our full-time employees received a promotion during the reporting year thanks to their excellent performance and contributions to the company.

Employee Engagement



PIZZA's WOW! Culture drives our employee engagement and performance. We actively embed our core values from onboarding to day-to-day operations. This includes integrating the WOW! Culture across our brands, as seen in Potato Corner where HR facilitates cross-functional meetings and specific WOW! sessions to deepen its impact. Additionally, for our international teams, such as in China, we've tailored resources like the WOW! Grid to ensure cultural relevance and continuity of our core values.

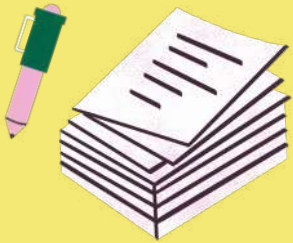
We recognize our duty to provide a secure livelihood for our employees. PIZZA offers fair and competitive compensation and benefits that conform with and go beyond national labor statutes, standards, and requirements through our Code of Business Conduct and Ethics. Employees are entitled to benefits 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.

17%

of total full-time employees covered by collective bargaining agreements



391 members of our total workforce represents regular restaurant rank-and-file employees (excluding restaurant managers and restaurant officers) directly employed in all Shakey’s company-owned restaurants. For 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 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

We support our employees’ 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 2023, 76% 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 84% of Shakey’s workforce (795 total) and 81% of Peri-Peri’s workforce (326 total) – surpassing their respective annual targets of 80% and 70%. Our emerging brands, R&B and Project Pie, have also exceeded their targets of 50% of the workforce falling within these parameters, achieving 75% and 87% respectively by year end. 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

3-3 2-25

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 two million users nationwide, our Supercard customer loyalty program enables holders to numerous exclusive benefits such as discounts, freebies and promotions. In 2022, we extended these perks from Shakey’s and Peri-Peri to R&B and pilot stores in Potato Corner. As of 2023, all customers of Potato Corner company-owned stores can now take advantage of Supercard benefits.



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.

Levering Technology to Enhance Guest Experience



During the year, we have upgraded our feedback systems for delivery and dine-in services. Now, guests who order through our in-house Super App automatically receive an SMS with a feedback link. Similarly, dine-in guests using their Supercard get a feedback prompt via SMS to their registered number. Following the acquisition of Potato Corner at the end of 2021, we've not only retained its guest recovery and engagement mechanisms but are also improving upon them. We are currently looking into ways to integrate Potato Corner into PIZZA's guest feedback systems.

We received a total of over 546,702 tickets, or documented interactions with customers from across all our customer touchpoints and platforms. Out of the tickets, only 4% 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 4% response rate during the year, of which 61% 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.

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. We have systems in place to meet industry standards for data security, as mandated by the Data Privacy Act of 2012.

During the year under review, there was one complaint on consumer privacy and one security incident on data privacy, both of which have been resolved as immediately as possible. Our information technology team continuously aims to ensure that repeat incidents are avoided in the future and that the risks of any incident to the business are kept to a minimum.

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

As PIZZA grows, so do employment opportunities along our value chain ecosystem. We create livelihood opportunities and encourage decent working environments for our core businesses as well as our partners, vendors and suppliers. Our **Supplier Code of Conduct and Ethics (SCOE)** is key to our ability to create positive impact while expanding our locus of positive influence.



18,187
Total number of jobs supported across PIZZA value chain in 2023

PIZZA contributes to the national economy by supporting 18,187 jobs (2022: 8,858). 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:
Empowering Entrepreneurs: Potato Corner's Economic Upliftment Efforts



Potato Corner, a recent acquisition by PIZZA, has significantly contributed to economic upliftment in the Philippines, fueling entrepreneurship through its inclusive franchising model. The brand, born as a modest food cart, has burgeoned into a premier franchisor, endorsed by the Philippine Franchising Association. As of end 2023, there are now 734 Potato Corner franchisees.

Potato Corner's expansion, a significant growth pillar for PIZZA, has been swift and assertive. During the year we opened up 300 additional domestic stores and 59 international stores. In the Philippines, we launched innovative concepts like the multi-branded drive-thru snack stop with R&B and an independent drive-thru

store in Quezon City. Internationally, the brand's reach is also accelerating, with stores now open in Thailand, Singapore, China, Malaysia and Canada.

In 2022, Potato Corner launched the country's first franchisee loan program, a collaboration with Robinsons Bank. This initiative offers Potato Corner franchisees, both existing and prospective, speedy, and convenient access to financing with competitive rates and flexible terms. It's a move that not only recognizes the franchisees as vital to Potato Corner's lifeblood but also as central to the nation's economic resilience and progress. In 2023, 38 applicants were approved as eligible for loans and six were onboarded during the year.

PIZZA's community engagement efforts are rooted in a deep commitment to creating positive societal impact and nurturing healthy, inclusive communities. An example of these values in action is PIZZA's support for women's sports, particularly through the sponsorship of the Shakey's Super League, highlighting the company's dedication to promoting gender equality and empowering women athletes across the Philippines.

Serving Up Empowerment: Shakey's Super League

In 2023, PIZZA reaffirmed its commitment to women's sports in the Philippines by supporting the Shakey's Super League (SSL) for its second year. Throughout the year, PIZZA sponsored three key volleyball tournaments, starting with the Girls' Volleyball Invitational League in May, featuring high school teams, followed by the National Invitionals in July with participation from 12 universities, and culminating in the Pre-Season Championship in September, which brought together 16 universities from the UAAP and NCAA.



This series of tournaments not only showcased the talent and competitive spirit of women athletes across the country but also highlighted PIZZA's role in promoting women's sports. A notable achievement of this year's initiative was the remarkable fundraising effort through the SSL Bundle, which raised Php 12.0 million. These funds are earmarked for sports development programs, demonstrating PIZZA's tangible support for the growth and sustainability of women's volleyball in the Philippines.

Planet



NATURAL RESOURCE EFFICIENCY 3-3

At PIZZA, we strive to improve the efficiency by which our organization consumes natural resources. We implement industry best practices for water and energy management and closely monitor 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

3-3 303-2 303-3

Water is essential to our business operations, from general cleaning and sanitation at stores to the 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.

We invest in technology to reduce our water use, for example by installing automatic low-flow hand washing machines, and engage our stakeholders to use our water resources responsibly.



24 stores

installed with low-flow hand washing machines (2022: 24)

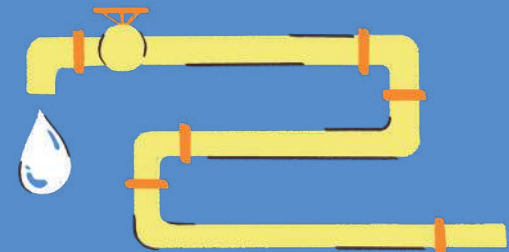
Low-flow technology helps conserve water without compromising cleanliness by releasing the right amount of water. In 2023, 3 Peri-Peri stores and 21 Shakey's stores installed low-flow hand washing machines. These stores account for 7% of our total number of Peri-Peri and Shakey's stores.

| Water withdrawal and intensity | 2023 | 2022 |
|------------------------------------|-----------|---------|
| Water withdrawal (CBM) | 1,591,244 | 781,688 |
| Water intensity* (CBM/PHP Million) | 85.36 | 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 2023, PIZZA withdrew 85.36 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 2023, 46 of standalone Shakey's stores utilized onsite sewage treatment plants to treat effluents from their operations before discharging (2022: 37).



Energy Consumption Reduction

3-3 302-1 302-3

Energy fuels our operations, powering our stores, offices, warehouses, equipment, and vehicles, which primarily rely on electricity, gasoline, and LPG. We are committed to minimizing energy use by implementing efficiency measures and promoting behavioral changes. Our approach includes investing in technology like thermal insulation and inverter-type cold storage to conserve energy. We encourage our staff to actively participate in energy saving efforts, for example by turning off lights when not needed. While we have greater oversight over company-owned locations, we share our energy-saving strategies with leased spaces and franchisees, aiming to broadly reduce our energy footprint.



| Energy | 2023 | 2022 |
|------------------------------------|------------|------------|
| Total energy consumption (GJ) | 66,685,428 | 97,958,127 |
| Energy intensity* (GJ/PHP Million) | 3,577 | 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 2023, PIZZA consumed 3,577 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. PIZZA strives to increase the uptake of renewable energy in our operations. We are exploring mixed energy sources, such as solar panel installations at the corporate head office, free-standing stores, and commissaries, and use of solar powered water heaters.



GHG Emissions & GHG Intensity of PIZZA (Scopes 1 & 2)*

| Emission | 2023 | 2022 |
|--|-----------|-----------|
| Scope 1 (tonnes CO2e) | 4,190,375 | 6,170,473 |
| Scope 2 (tonnes CO2e) | 55,387 | 34,080 |
| Emission intensity (tCO2e/Php Million)** | 228 | 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 2023, PIZZA emits 228 tons CO2e of greenhouse gasses.*

Landfill Waste Reduction

3-3 301-1 306-1 306-2 306-3

We recognize that we are responsible for managing the waste we generate across our operations, including procurement of raw materials, food preparation, managing logistics and serving our guests through multiple sales channels and store formats. Our opportunities lie in reducing at source, procuring more responsible materials, improving segregation, recovery, and recycling.

Waste from our operations

Our waste action plan targets significant reduction in plastic and food waste, the predominant types of waste in the Food and Beverage sector.

| Waste generated from our operations | 2023 | 2022 |
|-------------------------------------|---------|---------|
| Total waste (kg) | 208,991 | 164,690 |

We implement waste segregation measure, wherever possible, within our stores and across our corporate offices. At our headquarters, we have 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.



Net Zero Plastic Waste

3-3 413-1

PIZZA is actively pursuing a robust strategy to address our plastic footprint resulting from post-consumer waste. Recognizing that some plastic use is currently unavoidable, we have taken concrete action by partnering with the Plastic Credit Exchange (PCX). Our partnership with the Plastic Credit Exchange (PCX) enables us to work towards Net Zero Plastic Waste for our brands that rely on flexible packaging. We operationalize this commitment by purchasing plastic credits, similar to the carbon offset model, which fund the collection and recycling, or co-processing, of a volume of plastic waste equivalent to our packaging output.



Waste from customer packaging

Our customer packaging significantly contributes to plastic waste. To address this, we’re assessing and minimizing its environmental impact throughout its lifecycle, from production to disposal. In 2023, we primarily used timber-based materials, like cardboard for pizza boxes and paper for takeout containers.

While sourcing sustainable packaging is a step forward, we face a greater hurdle in the Philippines due to underdeveloped waste management systems, with the urgent task of keeping these materials out of landfills and recycling them effectively. The post-consumer waste challenge is complex, as it falls outside our direct control. Nonetheless, we are dedicated to reducing the environmental footprint of our packaging along our entire value chain. In the interim, we are committed to offsetting our usage of non-biodegradable plastic packaging through our Net Zero Plastic Waste program.

| Materials | 2023 | 2022 |
|-----------------------------|--------|--------|
| Materials used (MT) | 47,540 | 26,292 |
| Renewable materials (%) | 97% | 98% |
| Non-renewable materials (%) | 3% | 2% |

January 2023 marks our fourth year of committing to Net Zero Plastic Waste.

PIZZA actively engages in plastic waste management through the PCX program, which ensures the removal and repurposing of plastics equivalent to our usage into new products or energy, aiding in coal replacement. In 2023, we purchased 140 metric tons of plastic credit to offset our plastic packaging procured for the year. Recognizing that offsetting our plastic footprint is an interim step, we are committed to continuously exploring sustainable solutions to minimize plastic use.

To uphold the integrity of our plastic offsets, PCX mandates third-party audits by Isla Lipana & Co. (PricewaterhouseCoopers). The audit validates PIZZA’S plastic footprint, supporting PCX in certifying the Net Zero Plastic Waste status of our brands. It also verifies our PIZZA’S plastic footprints against our annual packaging usage, confirming that a matching amount of plastic waste has been responsibly recycled or co-processed. We began the audit in earnest in 2023 and anticipate certification in 2024. This rigorous process, detailed in the PCX credit registry, not only enhances our plastic management but also aligns PIZZA with **Extended Producer Responsibility Act of 2022**.

For more information on our Net Zero Plastic Waste 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 seek to magnify our positive impact across our value chain through the relationships with our business partners.

Supplier Credibility

3-3 2-25 2-27 403-7

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.



Local Sourcing

3-3 204-1 413-1

As a proud Philippine company with WOW-ing restaurant brands well-loved by many Filipinos, we allocate 62% of our total procurement budget on suppliers registered in the Philippines (2022: 82%), 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.



Potato Corner's Harvest Chips: Supporting Local Farmers

Potato Corner's Harvest Chips initiative exemplifies PIZZA's dedication to sustainable practices that support local communities. Harvest Chips are a limited-time treat that are crafted from potatoes cultivated by local farmers in the Benguet region, in collaboration with Gawad Kalinga, a non-profit striving to eliminate poverty in the Philippines. Through the production Harvest Chips by Gawad Kalinga's Enchanted Farm workers, Potato Corner not only introduces a novel culinary delight to its customers but also fosters a new revenue avenue for local farmers. In 2023, Harvest Chips were featured in 645 stores and the initiative supported 43 workers and 40 local farmers.

This thoughtful initiative integrates Potato Corner's innovative drive while solidifying its commitment to supporting the local economy and uplifting the lives of Filipino farmers through meaningful partnerships.

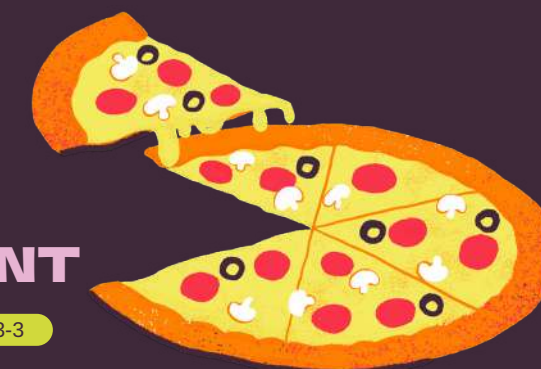


Pizza

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

Guest 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.



Food Quality and Safety

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 are in full compliance with the Food and Drug Administration (FDA) Philippines and the National Meat Inspection Service (NMIS) requirements. PIZZA's R&D team has developed and implemented our internal principles and standards in food safety and quality. A shelf-life guide of materials is maintained to ensure safety and quality.

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.

40 suppliers were screened for food quality and safety in 2023. Out of these screenings, 13 new suppliers have eventually been accredited and 23 existing suppliers have passed surveillance audits. For the 4 existing suppliers who have failed the audits, we have taken appropriate actions based on the severity of the non-conformance.

Audit on Receiving

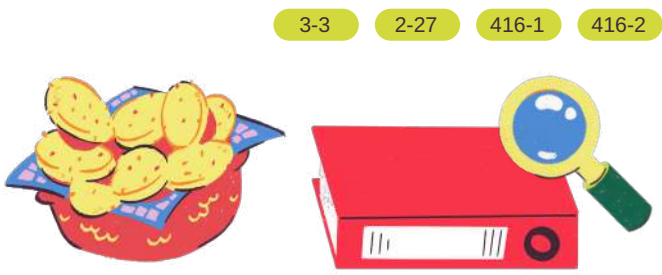
All materials must be thoroughly inspected upon arrival. Product temperature, delivery vehicle cleanliness, hygiene, shelf-life, and packaging integrity are measured for compliance. Stringent receiving procedures are also carried out for materials delivered to our stores.

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

PIZZA employees are trained in food handling and serving, as well as recognizing and preventing food-related health hazards. We require all our food handlers to be trained as food service professionals using ServSafe standards. The training includes 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.

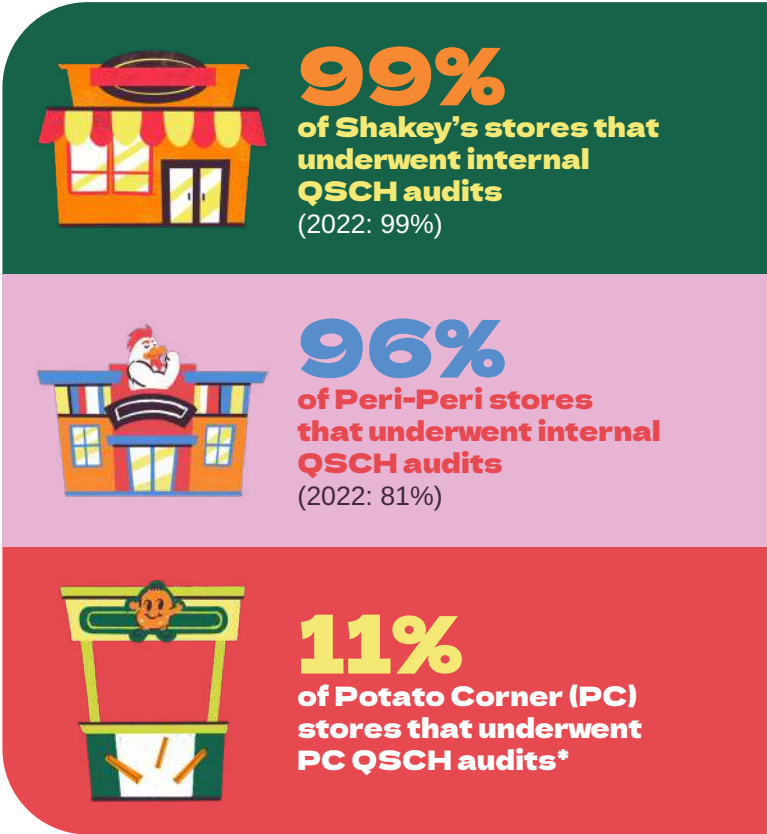
Our internal QSCH audit is conducted thrice a year across our company-owned and franchised stores to help us benchmark against similar players in the dining industry. Stores are assessed on:

Service and 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.



*baseline year for PC QSCH audits. In 2022, 71% of PC stores underwent the previous quality management audit system.

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.



Mystery Guest Audits in 2023



For complaints on food quality and service, 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.

HEALTHIER PRODUCTS

3-3

PIZZA is committed to evolving alongside guests' tastes. We will continue to offer choices that delight guests while also providing indulgences for the growing segment of health-conscious and environmentally minded guests. We've broadened our selection of healthier and eco-friendlier options to meet guest demands, including Shakey's plant-based burger, chicken nuggets, and pizza, and R&B's plant-based milk tea with soy milk and seaweed boba, introduced in 2022. Project Pie and Peri-Peri have also introduced balanced diet choices. During the year, Shakey's launched three new products for our health-conscious guests, including Taco Pizza and two new salad options.



Shakey's Good Menu includes Century Pacific's 'unMEAT' – a non-GMO, cholesterol-free, preservative-free, and trans-fat-free option, rich in protein and fiber. Partnering with CNPF, we aim to offer delicious, affordable, healthy, and environmentally positive alternatives.

As pioneers in the Philippine restaurant industry's shift to plant-based options, we seek to make such diets affordable and widely available. Our plant-based offerings have maintained popularity among vegetarian, vegan, and flexitarian patrons, and through our bundle rotations. Based on focus group insights and guest feedback, we are confident that our healthy menu items will impress even those new to plant-based foods.

NUTRITIONAL TRANSPARENCY

3-3

PIZZA values nutritional transparency, not least as a tool to promote healthier lifestyles for 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

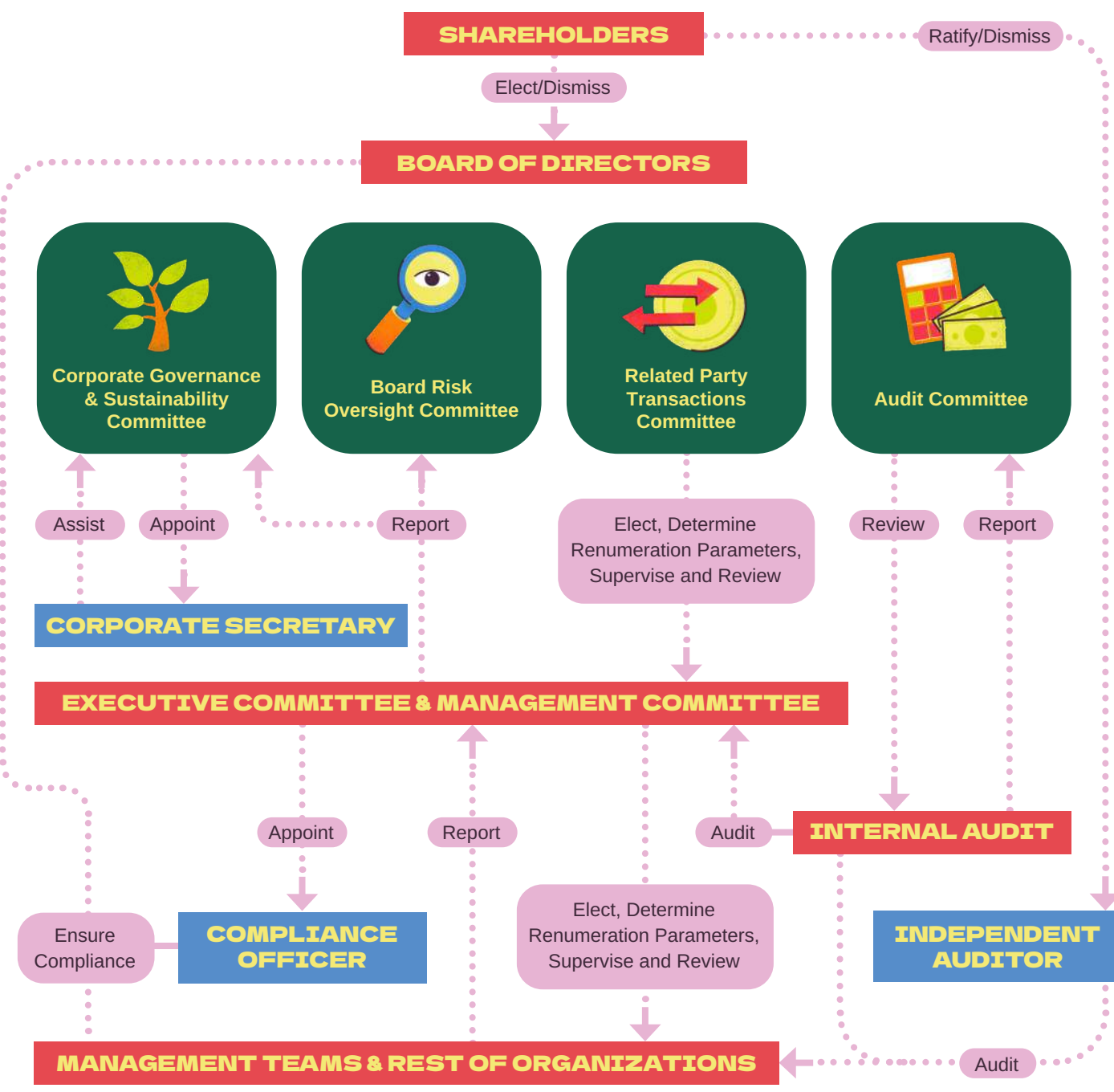


Corporate Governance

2-12 2-13 2-14

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

2-12 2-13 2-14

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 the 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.

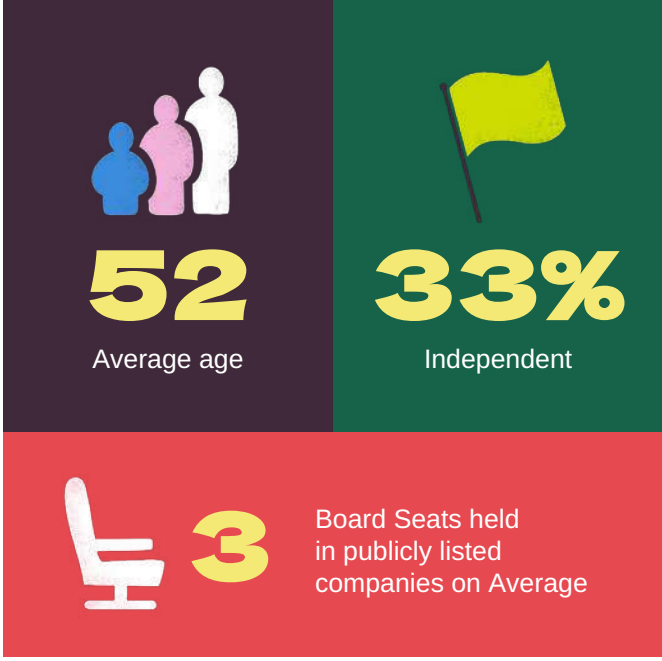
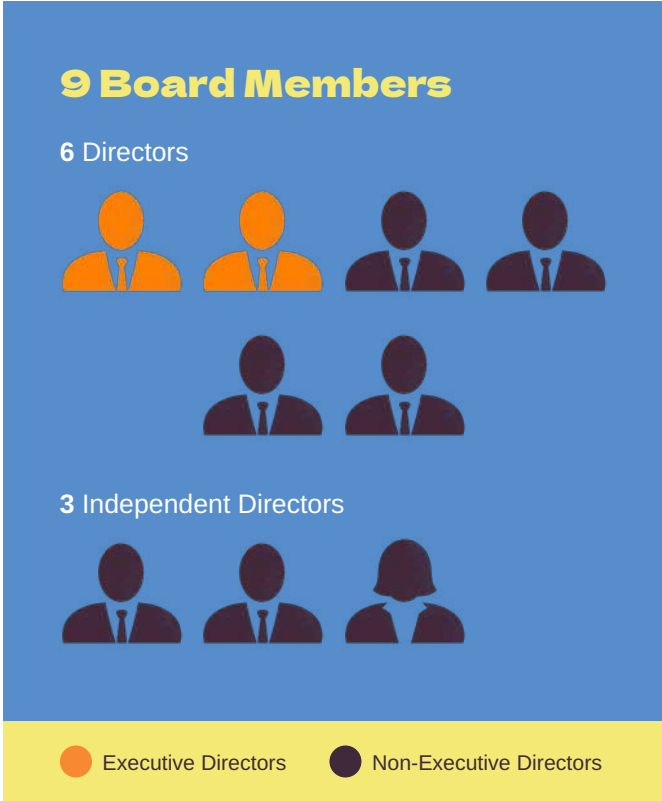
Additionally, at least three or one-third of the Board, whichever is higher, must be independent directors.

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.

Current Composition



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 & Board | | |
| | Meeting No. of Meetings | Annual Stockholder 1 | Regular* 4 Special* 13 |
| Christopher T. Po Chairman | | C 1/1 | C 4/4 C 13/13 |
| Teodoro Alexander T. Po Vice Chairman | | -- 1/1 | VC 4/4 VC 13/13 |
| Ricardo Gabriel T. Po Vice Chairman | | -- 1/1 | VC 4/4 VC 13/13 |
| Leonardo Arthur T. Po Treasurer | | -- 1/1 | M 3/4 M 13/13 |
| Vicente L. Gregorio President | | -- 1/1 | M 4/4 M 13/13 |
| Lance Y. Gokongwei Director | | -- 1/1 | M 4/4 M 13/13 |
| Fernan Victor P. Lukban Independent Director | | -- 1/1 | M 4/4 M 13/13 |
| Paulo L. Campos III Independent Director | | -- 1/1 | M 4/4 M 13/13 |
| Frances J. Yu Independent Director | | -- 1/1 | M 4/4 M 13/13 |

C Chairman VC Vice Chairman M Member

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 2023. For the year, the annual training focused on good governance principles and practices rooted in purposeful Personal Governance.

Evaluation System

PIZZA has implemented an 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

The Board Committees are to support the effective performance of the Board's functions. Their purpose, memberships, structures, and responsibilities are further discussed in the Committee Charters available on the Company website.



Audit Committee

The Audit Committee is tasked to oversee Senior Management in maintaining an effective internal control framework which is able to provide assurance in areas including reporting, monitoring compliance with laws, regulations, and internal policies, and the efficiency and effectiveness of operations.

It ensures that both internal and independent auditors are to have unrestricted access to all records, properties, and personnel to enable them to perform their audit functions independently from one another.

It is composed of at least three non-executive directors, the majority of whom, including the Chairman (who should neither be Chairman of the Board nor of any other committee), should be independent. All must be experienced in the areas of accounting, auditing, and finance.

The Audit Committee meets with the Board at least every quarter without the presence of the Chief Executive Officer or any other member of the management team.

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

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 2023 during the Annual Stockholders' Meeting last June 20, 2023, 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 2023, SyCip Gorres Velayo & Co. was paid PHP 5.5 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 and Sustainability Committee

The Corporate Governance and Sustainability Committee is responsible for ensuring the Company's compliance with corporate governance principles and practices. It periodically reviews the Company's corporate governance framework to ensure it remains appropriate given material changes in the corporation's size, complexity, strategy, and business and regulatory environments.

The Committee's responsibilities 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 |
| No. of Meetings | 4 | 2 | 1 | 2 |
| Ricardo Gabriel T. Po Vice Chairman | M 4/4 | 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 2023

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 to discuss the following:

1. 2022 External Audit Results of SGV & Co.; Presentation of FY22 Financial Performance, Internal Audit Report
2. Presentation of Q1 Unaudited FS; Internal Audit Report
3. Presentation of Q2 Unaudited FS; Internal Audit Report
4. External Audit Plan 2023; Presentation of Q3 Unaudited FS; Internal Audit Report

Report of the Corporate Governance and Sustainability Committee to the Board of Directors For the year ended 31 December 2023

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 2023:

1. Conducted the Board of Directors' self-assessment
2. Reviewed Corporate Governance updates, 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 2023

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:

1. Discussed the company's risk framework, as well as the updated risk register and mitigating plans to address top risks identified

Report of the Related Party Transactions Committee to the Board of Directors For the year ended 31 December 2023

The Related Party Transactions Committee is tasked to review all material related party transactions of the Company. The Committee discussed the following:

1. Amounts covering related party transactions of the Company with affiliates in the Century Pacific Group of Companies

CORPORATE SECRETARY

2-19 2-20

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. María 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 2023.



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 2023.

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 and Ethics

2-15 2-23 2-24 2-25 2-26 2-27



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.

1,102

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

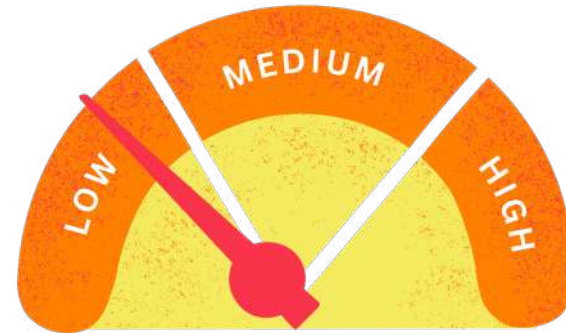
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confirmed cases of corruption.



Risk Management

PIZZA fosters a culture that proactively addresses and manages key risks alongside opportunities to meet business objectives and enhance performance. By integrating the risk management process with existing business planning systems, both long- and short-term risks are taken into consideration in decision-making. The company employs a Risk Register to assess risks based on impact and likelihood, with countermeasures in place to effectively mitigate identified risks.



We highlight the Company's primary risk exposures, their potential impact, and the existing processes and procedures that mitigate them. Aside from the risks identified below, PIZZA closely monitors and addresses other risks that face its business. In addition, the Company consistently reviews and refines its approach to identifying, understanding, quantifying, and managing risks throughout the organization.

Unexpected macro-economic shifts can adversely affect the goals initially set by management during the planning phase



Potential Impact

1. Lower profitability metrics
2. Difficulty to fund expansion
3. Higher cost of doing business

Mitigation

1. Making strategic pivots
2. Executing robust plan for the international business
3. Conducting monthly review meetings to develop corrective actions for gaps vs budget

Changes in top management, as well as frequent turnover, can adversely affect the company's growth momentum



Potential Impact

1. Higher costs due to frequent changes in strategy
2. Higher training costs for new hires

Mitigation

1. Strengthening executive development and succession planning
2. Investing in training
3. Conducting regular town hall meetings to cascade strategies and to allow for employee discussions with top management

Strategies may not be executed according to plan



Potential Impact

1. Volatility in earnings performance
2. Lower profitability metrics
3. Higher cost of doing business

Mitigation

1. Adopting scenario analysis during the planning stage
2. Keeping brands relevant and accelerating digitalization

Competitors and new entrants may challenge the market leadership of some of our brands



Potential Impact

1. Loss of market share
2. Loss of revenue streams

Mitigation

1. Investing in the brands
2. Investing in the people and organizational culture
3. Regularly monitoring competition and acting accordingly

Continued upward movements in input costs can erode the company's profitability



Potential Impact

1. Volatility in earnings performance
2. Lower profitability metrics

Mitigation

1. Pursuing company-wide synergies & efficiencies
2. Adopting multiple sourcing and a proactive procurement approach
3. Implementing price increases as necessary

Major calamities can disrupt store operations in affected areas



Potential Impact

1. Loss of revenue streams
2. Damage to assets

Mitigation

1. Ensuring business continuity plans are in place

Bad actors can threaten the integrity of the company's digital infrastructure, including breaches in data privacy

Potential Impact

1. Compromised data security
2. Disrupted operations

Mitigation

1. Leveraging on technology committee expertise
2. Ensuring that sufficient investments in IT are in place
3. Providing sufficient training to all employees

Other Highlights



Investor Relations Program

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

As the company continued to aim for strong double-digit growth amidst an inflationary environment in 2023, our job in IR was to ensure constant and timely communication with our stockholders so that they can make informed decisions.

In addition, given that PIZZA emerged post-pandemic as a different company – from having only one brand, Shakey's, to a managing a portfolio of WOW! Brands, the IR team recognized the need to reinforce communications that capture PIZZA's augmented portfolio. Thus, we continuously updated investors about critical developments and highlighted our long-term priorities, competitive strengths, and synergies across all 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 the Chairman and 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 uncertainty still remains.

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

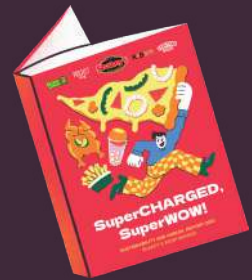
Investor Relations Team 2023

Myrose Victor
Dappy Tecson
Chase Gaerlan

investorrelations@shakeys.biz

HOW WE ENGAGE

Glossy Annual Report



Meetings with Current and Potential Investors



10 Corporate Access Events



Selected Store and Commissary Visits

Conference Calls on Quarterly Financial Results

Apr 20: Full Year 2022 Earnings Call
May 17: First Quarter 2023 Earnings Call
Aug 16: Second Quarter 2023 Earnings Call
Nov 15: Third Quarter 2023 Earnings Call



Attainment of Sell-Side Coverage from Brokerages

| Institution | Analyst | Latest Call |
|-----------------|------------------|-------------|
| AB Capital | Hazel Tanedo | OUTPERFORM |
| BDO Securities | Rodd Vagilidad | BUY |
| CLSA | Joyce Ramos | BUY |
| COL Financial | Denise Joaquin | BUY |
| Maybank | Daphne Sze | BUY |
| Regis Jefferies | Carissa Mangubat | BUY |



9 Press Releases

Non-Deal Roadshows to Key Financial Market Centers



Corporate Website
www.shakeysgroup.ph



Welcoming Annual General Meeting



Traditional and Social Media Coverage

INVESTOR RELATIONS CALENDAR 2023

JANUARY



Macquarie Philippines Owners' Access Conference

APRIL



FY22 Earnings Release

MAY



1Q23 Earnings Release

SEPTEMBER



UBS Philippine Consumer Roundtable

AUGUST



2Q23 Earnings Release

OCTOBER



CFA Institute Research Challenge - Philippines Presentation

NOVEMBER



3Q23 Earnings Release



Jefferies Philippines Conference



2023 AGCo Emerging & Frontier Markets Conference

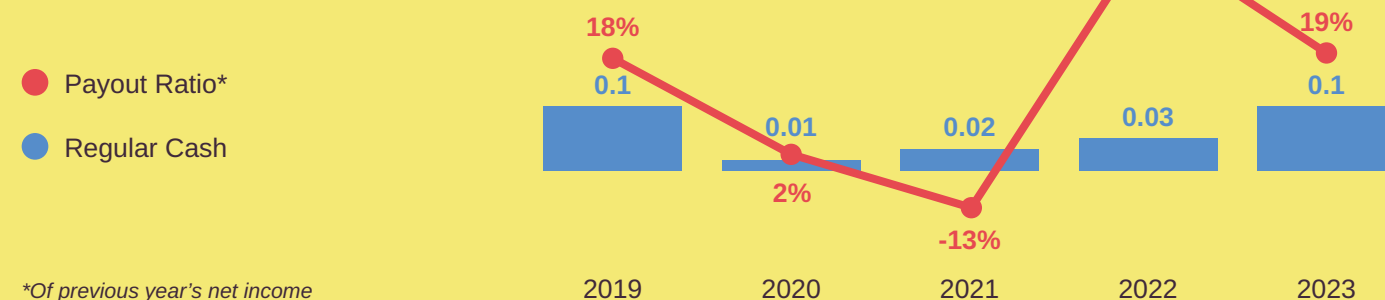
Stock Highlights

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

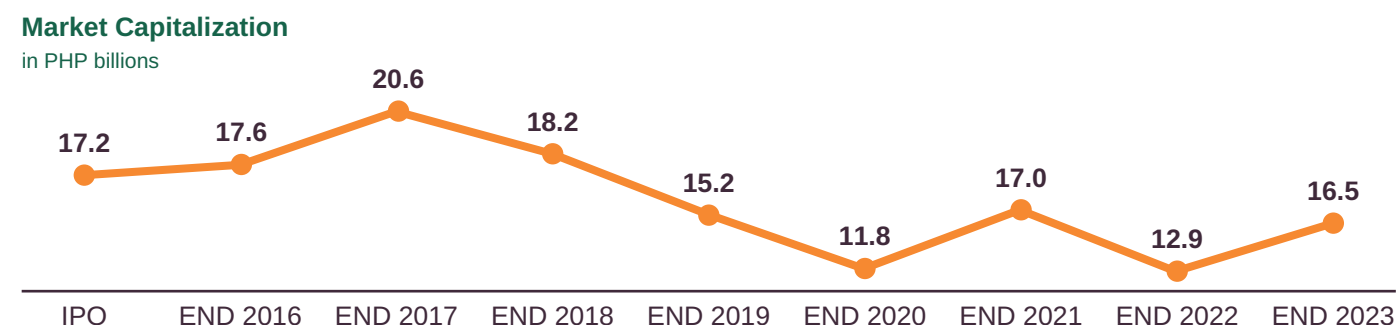
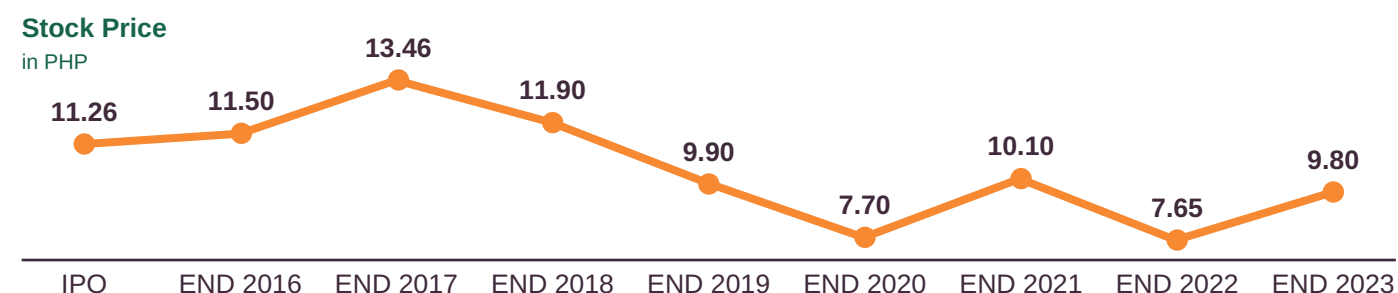


+28.1%
Year-on-Year
Return

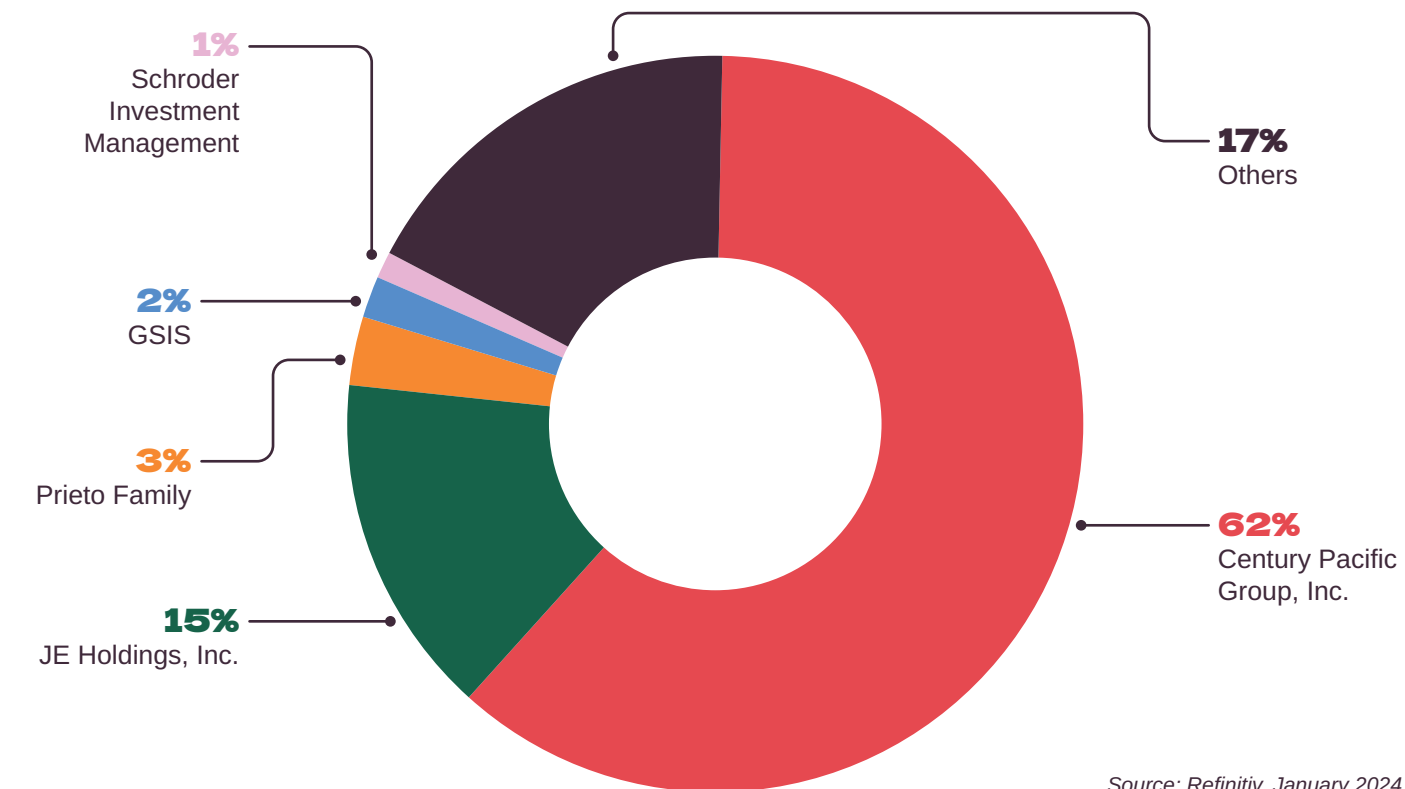
-13.0%
Increase
Since IPO

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.

STOCK PERFORMANCE



SHAREHOLDERS



Source: Refinitiv, January 2024

ANNUAL STOCKHOLDERS' MEETING

In 2023, we held our Annual Stockholders' Meeting on June 20.

SHARE CAPITAL

As of end 2023, 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 9.80** per share, the market capitalization of the Company's **common shares** as of end-2023 was **PHP 16,500,849,744**.

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.shakeysgroup.ph https://edge.pse.com.ph/companyInformation/form.do?cmpy_id=664



Management Discussion & Analysis

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

PIZZA had consolidated total assets of ₱18.63 billion as of December 31, 2023, an increase versus total assets of ₱17.71 billion as of end 2022. This was mainly driven by the continued growth in the company's operations and increase in global network footprint.

Cash and cash equivalents

As of end 2023, cash and cash equivalents totaled ₱901 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 ₱1.22 billion as of year-end 2023 compared to ₱1.13 billion in 2022.

Inventories

As of December 31, 2023, inventories increased to ₱1.71 billion from ₱1.00 billion in 2022.

Property, plant, and equipment

Consolidated net property, plant, and equipment stood at ₱1.83 billion as of year end 2023. Capital expenditures for the year reached ₱501 million, which were primarily invested in both new and existing stores.

Intangible assets

Intangible assets remained steady at ₱10.37 billion in 2023 from ₱10.34 billion in 2022.



Accounts payable and other current liabilities

Accounts payable and other current liabilities decreased to ₱1.75 billion from ₱2.13 billion during the previous year.

Loans payable

As of December 31, 2023, the Company's total interest-bearing debt stood at ₱5.94 billion. The outstanding loans payable by year end 2023 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.



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

PIZZA saw its full-year 2023 bottomline stand at ₱1.08 billion, growing 23% from 2022's recorded net income after tax of ₱874 million, driven primarily by the company's strong topline momentum.

Systemwide sales reached ₱18.64 billion, up 32% year-on-year. PIZZA's 2023 topline growth is supported by same-store sales growth (SSSG) of 13% and a 20% network expansion.

Revenues and Systemwide Sales

Systemwide sales, which comprises sales from both company-owned and franchise stores, increased by 32% from ₱14.09 billion to ₱18.64 billion as of end 2023.

Consolidated net revenues, composed of sales from company-owned stores, franchise and royalty fees from franchisees, and revenues from wholly-owned subsidiaries, reached ₱12.82 billion, increasing by 26% from reported revenues of ₱10.14 billion for the twelve months ending December 31, 2022.



Cost of Sales

For the year ending 2023, consolidated cost of sales increased by 28% from ₱7.55 billion in 2022 to ₱9.67 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 ₱3.15 billion for the full year 2023, representing a 21% increase from the ₱2.60 billion in the previous year. This yielded a gross profit margin of 25%, lower versus the previous year's 26%.

General and Administrative Expenses

For the twelve months ending December 31, 2023, consolidated general and administrative expenses totaled ₱1.57 billion, representing a cost-to-sales ratio of 12%. This is in line with the cost-to-sales ratio of 12% during the same period in 2022.

Operating Income

Consolidated operating income increased by 15% from ₱1.37 billion in 2022 to ₱1.58 billion in 2023.

Net Interest Expense

Interest expense of ₱361 million was recorded for the twelve months ending December 31, 2023, higher by 12% compared to the 2022 figure of ₱324 million. This was mainly driven by the increase in loans payable in 2023.

Other Income

Other income totaled ₱25 million as of year-end 2023. This is composed mainly of other income from franchisees, service income, provisions and loss from store retirement. This is lower than the ₱49 million reported in 2022.

Net Income

For the year ending 2023, consolidated net income after tax stood at ₱1.08 billion, yielding a net income margin of 8%. This is slightly lower than the 9% margin reported in the previous period.



CONSOLIDATED STATEMENTS OF CASH FLOWS

Consolidated net cash provided by operating activities amounted to ₱1.18 billion for the full year 2023, lower versus the previous year's ₱1.62 billion.

Consolidated net cash used in investing activities was ₱0.55 billion. This is mainly attributable to capital expenditures for existing stores and new store openings.

Consolidated net cash used in financing activities was ₱0.72 billion in 2023, which includes loan proceeds net of financing costs and dividend payments.

All in all, cash decreased ₱88 million for the year, leading to cash and cash equivalents balance of ₱901 million at year-end 2023.



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, 2023 and 2022, and each of the three years in the period ended December 31, 2023, 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


Vicente L. Gregorio
PRESIDENT & CEO


Manuel T. Del Barrio
VICE-PRESIDENT &
CHIEF FINANCE OFFICER

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

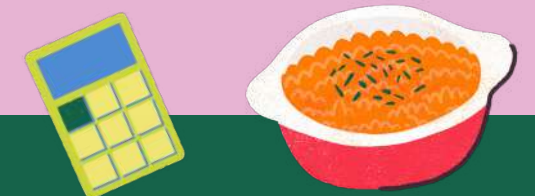
Barangay San Martin de Porres, Parañaque City 1700



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, 2023 and 2022, 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, 2023, and notes to the consolidated financial statements, including material accounting policy information.

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



BASIS FOR OPINION

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



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 the 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 matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Impairment Assessment of Goodwill and Trademarks With Indefinite Useful Life

Under PFRS, the Group is required to annually test the amount of goodwill and trademarks with indefinite useful life for impairment. As of December 31, 2023, the Group's goodwill, which are attributable to the Potato Corner, Bakemasters and Peri-peri businesses, amounting to 1,324.85 million, and trademarks with indefinite useful life attributable to Shakeys, Potato Corner and Peri-Peri, amounting to 8,769.09 million, are significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically long-term revenue growth rate, operating expenses, gross margin, capital expenditures and discount rate.

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

Audit Response

We obtained an understanding of the management's assessment process for evaluating the impairment of goodwill and trademarks with indefinite useful life. We involved our internal specialist in evaluating the methodologies and the assumptions used. We compared the key assumptions used, such as revenue growth rate 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 disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill and trademarks with indefinite useful life.

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, 2023, but does not include the consolidated financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the SEC Form 20-IS (Definitive Information Statement) and Annual Report for the year ended December 31, 2023, 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 G. 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
 BIR Accreditation No. 08-001998-105-2022,
 November 7, 2022, valid until November 6, 2025
 PTR No. 10082028, January 6, 2024, Makati City

April 15, 2024



Financial Statements

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

| | December 31 | |
|--|-----------------------|-----------------------|
| in PHP | 2023 | 2022 |
| ASSETS | | |
| Current Assets | | |
| Cash | 901,147,527 | 989,578,790 |
| Trade and other receivables | 1,224,789,572 | 1,133,066,392 |
| Inventories | 1,712,217,989 | 1,001,114,060 |
| Prepaid expenses and other current assets | 635,187,293 | 730,884,353 |
| Total Current Assets | 4,473,342,381 | 3,854,643,595 |
| Noncurrent Assets | | |
| Property and equipment | 1,833,780,583 | 1,764,723,405 |
| Intangible assets | 10,366,799,313 | 10,339,886,416 |
| Right-of-use assets | 1,540,630,889 | 1,443,780,579 |
| Deferred input value-added tax | 3,886,410 | 9,653,323 |
| Deferred tax assets - net | 100,394,721 | 25,566,418 |
| Rental deposits | 309,113,712 | 270,164,541 |
| Total Noncurrent Assets | 14,154,605,628 | 13,853,774,682 |
| TOTAL ASSETS | 18,627,948,009 | 17,708,418,277 |
| LIABILITIES & EQUITY | | |
| Current Liabilities | | |
| Short-term loans payable | 700,000,000 | 500,000,000 |
| Current portion of: | | |
| Long-term loans payable | 47,876,004 | 47,932,514 |
| Lease liabilities | 275,584,146 | 58,902,122 |
| Contract liabilities | 30,059,596 | 13,445,337 |
| Income tax payable | 142,150,319 | 52,155,804 |
| Accounts payable and other current liabilities | 1,753,136,296 | 2,132,213,295 |
| Total Current Liabilities | 2,948,806,361 | 2,804,649,072 |
| Noncurrent Liabilities | | |
| Long-term loans payable | 5,194,694,987 | 5,242,625,440 |
| Noncurrent portion of: | | |
| Lease liabilities | 1,555,254,353 | 1,641,116,052 |
| Contract liabilities | 117,882,366 | 61,226,844 |
| Accrued pension costs | 117,600,878 | 86,599,794 |
| Deferred tax liabilities - net | 627,872,928 | 679,788,566 |
| Dealers' deposit and other non current liabilities | 106,626,720 | 146,635,403 |
| Total Noncurrent Liabilities | 7,719,932,232 | 7,857,992,099 |
| Total Liabilities | 10,668,738,593 | 10,662,641,171 |
| 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 | 3,788,433,048 | 2,877,362,495 |
| Other components of equity | 35,899,720 | 33,537,963 |
| Total Equity | 7,959,209,416 | 7,045,777,106 |
| TOTAL LIABILITIES AND EQUITY | 18,627,948,009 | 17,708,418,277 |

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

| | Years Ended December 31 | | |
|---|-------------------------|-----------------|-----------------|
| | 2023 | 2022 | 2021 |
| REVENUE FROM CONTRACTS WITH CUSTOMERS | 12,823,923,008 | 10,142,024,578 | 5,480,427,588 |
| COST OF SALES | (9,673,051,933) | (7,546,508,401) | (4,206,711,163) |
| GROSS INCOME | 3,150,871,075 | 2,595,516,177 | 1,273,716,425 |
| GENERAL AND ADMINISTRATIVE EXPENSES | (1,570,509,929) | (1,222,810,270) | (837,345,396) |
| INTEREST EXPENSE | (361,489,106) | (323,971,110) | (292,179,579) |
| INTEREST INCOME | 464,950 | 504,742 | 1,276,273 |
| OTHER INCOME - net | 25,073,732 | 49,175,399 | 85,211,847 |
| INCOME BEFORE INCOME TAX | 1,244,410,722 | 1,098,414,938 | 230,679,570 |
| PROVISION FOR (BENEFIT FROM) INCOME TAX | | | |
| Current | 291,971,466 | 140,130,584 | 24,222,135 |
| Deferred | (127,007,314) | 83,882,273 | 83,477,277 |
| | 164,964,152 | 224,012,857 | 107,699,412 |
| NET INCOME | 1,079,446,570 | 874,402,081 | 122,980,158 |
| OTHER COMPREHENSIVE INCOME | | | |
| Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods (net of tax) - | | | |
| Actuarial gain (loss) on defined benefit obligation | 3,233,804 | 54,741,546 | 75,856,746 |
| Tax effect | (872,047) | (13,641,238) | (18,738,959) |
| | 2,361,757 | 41,100,308 | 57,117,787 |
| TOTAL COMPREHENSIVE INCOME | 1,081,808,327 | 915,502,389 | 180,097,945 |
| Basic and Diluted Earnings (Loss) Per Share | 0.64 | 0.52 | 0.08 |

SHAKEY'S PIZZA ASIA VENTURES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

| in PHP | Capital Stock | Additional Paid-in Capital | Retained Earnings | Other Components of Equity | Total |
|--------------------------------------|----------------------|----------------------------|----------------------|----------------------------|----------------------|
| Balances at January 1, 2023 | 1,683,760,178 | 2,451,116,470 | 2,877,362,495 | 33,537,963 | 7,045,777,106 |
| Total comprehensive income | - | - | 1,079,446,570 | 2,361,757 | 1,081,808,327 |
| Cash dividends | - | - | (168,376,017) | - | (168,376,017) |
| Balances at December 31, 2023 | 1,683,760,178 | 2,451,116,470 | 3,788,433,048 | 35,899,720 | 7,959,209,416 |
| 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, 2021 | 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 |

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

| | Years Ended December 31 | | |
|---|-------------------------|-----------------|---------------|
| | 2023 | 2022 | 2021 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Income (loss) before income tax | 1,244,410,722 | 1,098,414,938 | 230,679,570 |
| Adjustments for: | | | |
| Depreciation and amortization | 757,777,196 | 636,955,383 | 499,875,646 |
| Interest expense | 361,489,106 | 323,971,110 | 292,179,579 |
| Movement in pension costs | 34,234,887 | 45,080,393 | 40,879,361 |
| Loss (gain) on: | | | |
| Disposal of property and equipment | (1,228,757) | (67,336) | 121,143 |
| Pre-terminations of leases | 1,226,148 | (18,323,273) | (10,529,566) |
| Interest income from accretion | (1,692,305) | (2,000,871) | (3,023,323) |
| Interest income from cash in bank | (464,950) | (504,742) | (1,276,273) |
| Net unrealized foreign exchange loss (gain) | 261,300 | (2,212,953) | (247,925) |
| Provision for (reversal of) legal and other contingencies – net | - | 11,394,323 | (1,353,452) |
| Fair value gain on financial assets at fair value through profit or loss (FVPL) | - | (404,374) | (1,949,288) |
| Gain on reversal of liabilities | - | - | (24,682,991) |
| Income before working capital changes | 2,396,013,347 | 2,094,932,604 | 1,032,922,621 |
| Decrease (Increase) in: | | | |
| Trade and other receivables | (91,723,180) | (409,083,025) | (173,290,549) |
| Inventories | (711,103,929) | (568,237,834) | 12,065,346 |
| Prepaid expenses and other current assets | 95,697,060 | (559,930,385) | (11,085,299) |
| Deferred input value-added tax | 5,766,913 | 18,581,229 | 20,189,422 |
| Increase (Decrease) in: | | | |
| Contract liabilities | 67,084,402 | (10,737,004) | (11,172,587) |
| Accounts payable and other current liabilities | (379,076,999) | 1,128,018,038 | 191,067,983 |
| Cash generated from operations | 1,382,657,614 | 1,690,913,617 | 1,048,446,797 |
| Income taxes paid (including creditable withholding taxes) | (201,976,951) | (72,929,249) | (63,556,930) |
| Interest received | 464,950 | 504,742 | 1,276,273 |
| Net cash provided by operating activities | 1,181,145,613 | 1,618,489,110 | 986,166,140 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of: | | | |
| Property and equipment | (448,155,633) | (710,050,093) | (280,137,822) |
| Software | (52,909,939) | (56,556,757) | - |
| Trademark | - | (405,000,000) | (1,243,186) |
| Franchise right | - | (2,884,236) | - |
| Subsidiaries | - | (2,063,923,182) | - |
| Financial assets at FVPL | - | - | (300,000,000) |
| Proceeds from: | | | |
| Disposal of property and equipment | 27,577,982 | 181,013 | 123,547 |
| Redemption of financial assets at FVPL | - | 300,404,374 | 121,949,288 |
| Collection (payment) of rental deposits | (37,256,866) | 321,123,851 | (409,172,651) |
| Increase (decrease) in dealers' deposits and other noncurrent liabilities | (40,008,683) | 62,655,500 | 42,739,353 |
| Cash acquired from business combination | - | 20,503,549 | - |
| Net cash used in investing activities | (550,753,139) | (2,533,545,981) | (825,741,471) |

| | Years Ended December 31 | | |
|---|-------------------------|--------------------|----------------------|
| | 2023 | 2022 | 2021 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from availment of: | | | |
| Short-term loans | 700,000,000 | 500,000,000 | - |
| Long-term loans | - | 1,600,000,000 | - |
| Issuance of capital stock | - | - | 1,250,000,798 |
| Payments of: | | | |
| Short-term loans | (500,000,000) | - | (1,050,000,000) |
| Lease liabilities | (461,980,269) | (360,864,550) | (204,302,941) |
| Interest | (238,206,151) | (221,614,458) | (194,954,854) |
| Dividends | (168,376,017) | (50,512,805) | (33,675,208) |
| Long-term loans | (50,000,000) | (50,000,000) | (50,000,000) |
| Net cash provided by (used in) financing activities | (718,562,437) | 1,417,008,187 | (282,932,205) |
| NET INCREASE (DECREASE) IN CASH | (88,169,963) | 501,951,316 | (122,507,536) |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH | (261,300) | 2,212,953 | 247,925 |
| CASH AT BEGINNING OF YEAR | 989,578,790 | 485,414,521 | 607,674,132 |
| CASH AT END OF YEAR | 901,147,527 | 989,578,790 | 485,414,521 |

"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, 2024. 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.shakeysgroup.ph)"



Sustainability Data Summary

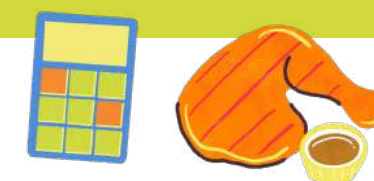


ECONOMIC

| Economic Value Generated | UOM | 2022 | 2023 |
|--|-------------|--------|--------|
| Direct economic value generated (revenues) | million Php | 10,191 | 12,849 |
| Economic value distributed | | 9,114 | 11,680 |
| Employee wages and benefits | | 1,264 | 1,617 |
| Payments to suppliers, workers, and other operating costs ¹ | | 7,407 | 9,490 |
| Dividends paid to stockholders and interest payments to loan providers | | 272 | 407 |
| Taxes given to government | | 171 | 346 |
| Economic value retained | | 1,077 | 989 |

Procurement Practices

| Economic Value Generated | UOM | 2021 | 2022 | 2023 |
|---|-----|------|------|------|
| Percentage of procurement budget used for significant locations of domestic operations that is spent on local suppliers | % | 86% | 82% | 62% |



SOCIAL

Employees

| Employees by Gender | UOM | 2021 | | | 2022 | | | 2023 | | |
|--------------------------|-----------------|-----------|-----------|--------------|-----------|-----------|--------------|-------------|-------------|--------------|
| | | Male | Female | Total | 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%) | 1,123 (49%) | 1,146 (51%) | 2,269 (100%) |
| Executive/Senior leaders | head | 4 | 0 | 4 | 8 | 2 | 10 | 5 | 1 | 6 |
| Mancom | | 17 | 10 | 27 | 18 | 20 | 38 | 17 | 14 | 31 |
| Middle Management | | 34 | 31 | 65 | 46 | 71 | 117 | 76 | 109 | 185 |
| Frontline Leaders | | 280 | 267 | 547 | 407 | 416 | 823 | 429 | 454 | 883 |
| Rank and File | | 393 | 263 | 656 | 382 | 354 | 736 | 596 | 568 | 1,164 |

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

| Employees by Age | UOM | 2021 | | | 2022 | | | 2023 | | |
|--------------------------|-----------------|---------------|-------------|------------|------------|-------------|------------|------------|-------------|------------|
| | | < 30 years | 30-50 years | > 50 years | < 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%) | 907 (40%) | 1,286 (57%) | 76 (3%) |
| Executive/Senior leaders | head | Not disclosed | | | 0 | 4 | 6 | 0 | 2 | 4 |
| Mancom | | | | | 3 | 25 | 10 | 1 | 18 | 12 |
| Middle Management | | | | | 13 | 91 | 13 | 22 | 145 | 18 |
| Frontline Leaders | | | | | 216 | 594 | 13 | 281 | 588 | 14 |
| Rank and File | | | | | 283 | 439 | 14 | 603 | 533 | 28 |

| | | Male | Female | Total | Male | Female | Total | Male | Female | Total |
|---------------|-----------------|-----------|-----------|------------|-----------|-----------|------------|-----------|-----------|------------|
| New hires | head/% of total | 140 (60%) | 95 (40%) | 235 (100%) | 169 (50%) | 170 (50%) | 339 (100%) | 467 (51%) | 452 (49%) | 919 (100%) |
| New hire rate | % | 18% | | | 20% | | | 41% | | |
| Turnover | head/% of total | 128 (53%) | 112 (47%) | 240 (100%) | 173 (52%) | 158 (48%) | 331 (100%) | 359 (54%) | 302 (46%) | 661 (100%) |
| Turnover rate | % | 18% | | | 19% | | | 29% | | |

Workers

| | UOM | 2021 | 2022 | 2023 |
|--|--------|-------|-------|--------|
| Total | head | 2,215 | 3,759 | 4,831 |
| Jobs Supported | UOM | 2021 | 2022 | 2023 |
| Jobs supported across the PIZZA value chain ² | number | 6,042 | 8,858 | 18,187 |

Diversity and Equality - Governance Bodies

| Board of Directors | UOM | 2021 | | | 2022 | | | 2023 | | |
|--------------------|-----------------|------------|-------------|------------|------------|-------------|------------|------------|-------------|------------|
| By gender | | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| | head/% of total | 8 (89%) | 1 (11%) | 9 (100%) | 8 (89%) | 1 (11%) | 9 (100%) | 8 (89%) | 1 (11%) | 9 (100%) |
| By age | | < 30 years | 30-50 years | > 50 years | < 30 years | 30-50 years | > 50 years | < 30 years | 30-50 years | > 50 years |
| | head/% of total | 0 (0%) | 2 (22%) | 7 (78%) | 0 (0%) | 2 (22%) | 7 (78%) | 0 (0%) | 2 (22%) | 7 (78%) |

Parental leave - Maternity and Paternity Leave

| | UOM | 2022 | | 2023 | |
|---|------|------|--------|------|--------|
| | | Male | Female | Male | Female |
| Employees entitled to parental leave | head | 12 | 42 | 6 | 61 |
| Employees that took parental leave | | 9 | 41 | 6 | 61 |
| Employees that returned to work within reporting period | | 9 | 40 | 6 | 59 |
| Employees still employed 12 after their return to work | | 9 | 40 | 6 | 59 |

² 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.

Training and Development

| | UOM | 2022 | | | 2023 | | |
|-------------------------------------|-------|------|--------|-------|------|--------|-------|
| | | Male | Female | Total | Male | Female | Total |
| Average training hours per employee | hours | 60 | 70 | 65 | 84 | 92 | 88 |
| Executive | | 23 | 16 | 21 | 32 | 51 | 36 |
| Senior manager | | 48 | 37 | 42 | 36 | 37 | 37 |
| Middle manager | | 33 | 37 | 35 | 15 | 11 | 12 |
| Supervisor | | 112 | 127 | 120 | 192 | 205 | 198 |
| Rank and File | | 9 | 12 | 10 | 16 | 19 | 17 |

Anti-corruption

| | UOM | 2021 | 2022 | 2023 |
|--|--------|------|------|------|
| Percentage of employees to whom the organization's anti-corruption policies and procedures have been communicated to | % | 100 | 100 | 100 |
| Percentage of business partners to whom the organization’s anti-corruption policies and procedures have been communicated to | % | 100 | 100 | 100 |
| Percentage of directors and management that have received anti-corruption training | % | 100 | 100 | 100 |
| Total number and nature of confirmed incidents of corruption | number | 0 | 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 | 2023 |
|--|-------------------|------------|------------|
| Energy ³ | | | |
| Non-renewable (total) | GJ | 97,958,127 | 66,685,428 |
| Gasoline | GJ | 25,339 | 29,930 |
| LPG | GJ | 97,757,925 | 66,375,076 |
| Diesel | GJ | 2,596 | 453 |
| Electricity | GJ | 172,266 | 279,970 |
| Renewable (total) | GJ | 0 | 0 |
| Energy intensity (per million Php) ⁴ | GJ/million Php | 6,954 | 3,577 |
| Water ⁴ | | | |
| Water consumption | CBM | 502,517 | 1,107,528 |
| Water discharge | CBM | 279,171 | 483,716 |
| Water withdrawal ⁵ | CBM | 781,688 | 1,591,244 |
| Water intensity (per million Php) ⁵ | CBM/million Php | 55.49 | 85.36 |
| Emissions ^{4 & 6} | | | |
| GHG emissions (Scope 1 and 2) | tCO2e | 6,204,553 | 4,245,762 |
| GHG emissions (Scope 1) | tCO2e | 6,170,473 | 4,190,375 |
| GHG emissions (Scope 2) | tCO2e | 34,080 | 55,387 |
| GHG emissions intensity (per million Php) ⁵ | tCO2e/million Php | 440 | 228 |

| | UOM | 2022 | 2023 |
|---|-----------|------------------|---------|
| Materials used⁷ | | | |
| Total materials used | MT | 26,292 | 47,540 |
| Renewable | MT | 25,892 | 46,202 |
| Non-renewable | MT | 400 ⁷ | 1,338 |
| Waste⁸ | | | |
| Total waste generated | kg | 164,690 | 208,991 |
| Total waste diverted from disposal | kg | 36 | 48,106 |
| Total waste directed to disposal | kg | 164,654 | 160,885 |
| | | | |
| Non-hazatrdous/solid waste (total) | kg | 164,690 | 208,991 |
| <i>By method</i> | | | |
| Disposed | | | |
| Incineration | kg | 0 | 86,872 |
| Landfilled | kg | 164,654 | 74,103 |
| Other disposal operations | kg | 0 | 0 |
| Diverted | | | |
| Preparation for reuse | kg | 0 | 0 |
| Recycling | kg | 36 | 48,106 |
| Other recovery operations, including composting | kg | 0 | 0 |
| <i>By location</i> | | | |
| Onsite recovery operation | kg | | |
| Offsite recovery operation | kg | 36 | 48,106 |
| Onsite disposal operation | kg | | |
| Offsite disposal operation | kg | 164,654 | 160,885 |

³ 2023 energy, water, and emissions figures now comprise all Company-Owned (CO) and Franchised Stores (FS) across all our brands, covering our domestic and international footprint, as well as our corporate support office and commissary. These are total numbers representing our systemwide view of the PIZZA business – within (CO) and outside (FS) the company. As we continue to build capacity and improve the robustness of our data, we have estimated energy, water, and emissions data for Potato Corner franchised stores using usage data of company-owned stores as baseline.

⁴ Intensity figures are computed based on systemwide sales in millions of PHP, covering both company-owned and franchise sales across the entire PIZZA business.

⁵ Water withdrawal significantly increased due to additional business units tracking water data for this reporting year.

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 used increased this year as the data includes Potato Corner and our commissary, Bakemasters Inc. 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 franchised stores) and Peri-Peri franchised stores are still excluded from the scope of waste, while Bakemasters Inc. data have been included for this reporting year. This disclosure mainly covers food waste and packaging waste from our operations. We are also working to improve our data collection systems and training our people to measure hazardous waste data moving forward.

PH SEC Form 17-A

Annex B Content

Index 2023



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, International |
| Report Boundary | Corporate Support Office and all primary businesses – Shakey’s Pizza, Peri-Peri, R&B, Project Pie Potato Corner, Bakemasters, Inc. This includes all our company-owned stores, commissaries, and corporate support offices operating in the Philippines. For franchisees, both local and global, disclosures will indicate if these are covered. Note that our Shakey’s International stores, which account for only 1% of our sales and store network, are excluded from this sustainability report. |
| Business Model, including Primary Activities, Brands, Products, and Services | Full-service restaurant chain, specializing in casual dining |
| Reporting Period | January 1, 2023 – December 31, 2023 |
| 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 Business and Sustainability Commitment: Materiality Process |
| Economic: Economic Performance Direct Economic Value Generation and Distributed | Our Business and Sustainability Commitment: Governing and Operationalizing Sustainability Sustainability Data Summary SEC 17-A 2022 Annual Report - Management’s Discussion and Analysis |
| Economic: Economic Performance Climate-related risks and opportunities | Planet: Environmental Impact Management Sustainability Data Summary |

| “Comply or Explain” Provisions | |
|---|---|
| Economic: Procurement Practices Proportion of spending on local suppliers | Planet: Local Sourcing Sustainability Data Summary |
| Economic: Anti-corruption Training on Anti-corruption Policies and Procedures, Incidents of Corruption | Corporate Governance: 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 | Planet: Supply Chain Management People: Guests Sustainability Data Summary |
| Social: Relationship with Community Significant Impacts on Local Communities | People: Community Engagement Planet: Net Zero Plastic Waste, Local Sourcing |



GRI Content Index 2023



PIZZA has prepared its sustainability disclosures and annual report with reference to the latest 2021 GRI Standards. As part of our ongoing commitment to inspire our stakeholders to contribute to sustainable development, we continue to share not only our progress and opportunities, but also our challenges and learnings.

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 |
|----------------------------|---|---|---|
| GRI 1: Foundation | | | |
| GRI 2: General Disclosures | | | |
| 2-1 | Organizational details | The Shakey's Business & Our Growth Ambition Other Highlights: Stock Highlights PH SEC Form 17-A Annex B Content Index 2023 | p. 23 p. 95 p. 112 |
| 2-2 | Entities included in the organization's sustainability reporting | About This Chapter PH SEC Form 17-A Annex B Content Index 2023 | p. 50 p. 112 |
| 2-3 | Reporting period, frequency, and contact point | About This Chapter PH SEC Form 17-A Annex B Content Index 2023 | p. 50 p. 112 |
| 2-6 | Activities, value chain and other business relationships | The Shakey's Business & Our Growth Ambition Sustainability at Shakey's: Creating Impact Across our Business | p. 23 p. 56 |
| 2-7 | Employees | People: Employees Sustainability Data Summary | p. 60 p. 108 |
| 2-8 | Workers who are not employees | Sustainability Data Summary | |
| 2-9 | Governance structure and composition | Get to Know Us: The Leadership Team Corporate Governance: Composition of the Board of Directors | p. 9 p. 80 |
| 2-10 | Nomination and selection of the highest governance body | Corporate Governance: Committees of the Board of Directors | p. 82 Corporate Governance and Sustainability Charter Board of Directors |
| 2-11 | Chair of the highest governance | | |
| 2-12 | Role of the highest governance body in overseeing the management of impacts | Our Business and Sustainability Commitment: Governing and Operationalizing Sustainability Get to Know Us: The Leadership Team | p. 51, 54 |
| 2-13 | Delegation of responsibility for managing impacts | Corporate Governance: Composition of the Board of Directors | p. 9 p. 80 |
| 2-14 | Role of the highest governance body in sustainability report | Corporate Governance: Shareholders & Board of Directors | p. 79 |
| 2-15 | Conflicts of interest | Corporate Governance: Code of Business Conduct and Ethics | p. 87 Governance Documents |
| 2-16 | Communication of critical concerns | Corporate Governance: Committees of the Board of Directors | p. 82 Governance Documents |
| 2-17 | Collective knowledge of the highest governance body | Corporate Governance: Composition of Board of Directors | p. 80 |

| GRI Standards | | Location of disclosure in this report | Additional references |
|---|---|---|---|
| 2-19 | Remuneration practices | Corporate Governance | p. 79 SEC 17-A Annual Report 2023 - Executive Compensation |
| 2-20 | Process to determine remuneration | | |
| 2-22 | Statement on sustainable development strategy | Get to Know Us: A Message from our Chairman & CEO Sustainability at Shakey's: Our Sustainability Commitment | p. 2, 4 p. 51 |
| 2-23 | Policy commitments | Corporate Governance: Code of Business Conducts and Ethics, Other Company Policies | p. 82 Governance Documents |
| 2-24 | Embedding policy commitments | | |
| 2-25 | Processes to remediate negative impacts | Sustainability At Shakey's: How We Engage | p. 58 |
| 2-26 | Mechanisms for seeking advice and raising concerns | Sustainability At Shakey's: How We Engage | p. 58 |
| 2-27 | Compliance with laws and regulations | Sustainability at Shakey's: How We Engage People: Workplace Culture and Environment Planet: Supply Chain Management – Supplier Credibility Pizza: Food Quality and Safety Sustainability Data Summary | p. 58 p. 65 p. 72 p. 75 p. 108 |
| 2-28 | Membership associations (NEW) | Philippine Franchising Association (Shakey's and Potato Corner) | |
| 2-29 | Approach to stakeholder engagement | Sustainability at Shakey's: How We Engage | p. 58 |
| 2-30 | Collective bargaining agreements | People: Workplace Culture and Environment | p. 65 |
| GRI 3: Material Topics | | | |
| 3-1 | Process to determine material topics | Our Business and Sustainability Commitment: Materiality Process, Governance and Operationalizing Sustainability | p. 52, 54 |
| 3-2 | List of material topics | Our Business and Sustainability Commitment: Sustainability Framework, Governance and Operationalizing Sustainability | p. 52, 54 |
| 3-3 | Management of Material topics | People Planet Pizza | p. 60 p. 69 p. 74 |
| GRI 200: Economic Disclosures | | | |
| GRI 201: Economic Performance | | | |
| 201-1 | Direct economic value generated and distributed | Get to Know Us: 2023 at a Glance Sustainability Data Summary | p. 41 p. 108 |
| 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. 67 |
| GRI 204: Procurement Practices | | | |
| 204-1 | Proportion of spending on local suppliers | Planet: Local Sourcing Sustainability Data Summary | p. 73 p. 108 |

| GRI Standards | | Location of disclosure in this report | Additional references |
|---|--|---|-----------------------|
| GRI 205: Anti-corruption | | | |
| 205-1 | Operations assessed for risks related to corruption | Corporate Governance: Anti-Corruption There were zero (0) incidents of corruption during the reporting period. | p. 88 |
| 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. 71 p. 108 |
| GRI 302: Energy | | | |
| 302-1 | Energy consumption within the organization | Planet: Energy Consumption Reduction, Greenhouse Gas Emissions Reduction Sustainability Data Summary | p. 70 |
| 302-3 | Energy intensity | | p. 108 |
| GRI 303: Water and Effluents | | | |
| 303-2 | Management of water discharge-related impacts | Planet: Water Consumption Reduction Sustainability Data Summary | p. 69 p. 108 |
| 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 Reduction Sustainability Data Summary | p. 70 p. 108 |
| 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, Net Zero Plastic Waste Sustainability Data Summary | p. 71 p. 108 |
| 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: Talent Acquisition and Management Sustainability Data Summary | p. 62 p. 108 |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | People: Employee Engagement | |

| GRI Standards | | Location of disclosure in this report | Additional references |
|---|---|---|-----------------------|
| 401-3 | Parental leave | Sustainability Data Summary | p. 108 |
| GRI 403: Occupational Health and Safety | | | |
| 403-1 | Occupational health and safety management system | People: Workplace Culture and Environment | p. 65 |
| 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 | Planet: Supply Chain Management | p. 72 |
| GRI 404: Training and Education | | | |
| 404-1 | Average hours of training per year per employee | People: Talent Acquisition and Management Sustainability Data Summary | p. 62 p. 108 |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | People: Talent Acquisition and Management | p. 62 |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | People: Talent Acquisition and Management | p. 62 |
| GRI 405: Diversity and Equal Opportunity | | | |
| 405-1 | Diversity of governance bodies and employees | People: Diversity and Inclusion Sustainability Data Summary | |
| 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 | People: Community Engagement Planet: Net Zero Plastic Waste, Local Sourcing | p. 67 p. 71, 73 |
| 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 | p. 75 |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | There was one (1) incident of non-compliance during the reporting period, the resolution of which is ongoing as at the end of the period. | |
| 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 twenty-three (23) 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 was one (1) incident of substantiated complaints on customer privacy and one (1) security incident on data privacy during the reporting period, both of which have been resolved. | |

Contact Info



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