



# 2023 SUSTAINABILITY REPORT

# Table of Contents



## 02 About

Our Company  
Our Sustainability Approach

## 10 What We Create

Our Products  
Our Value Chain

## 18 How We Operate

Responsible Sourcing  
Product Manufacturing  
Climate Action & Energy Management  
Water Stewardship  
Waste Management  
Packaging Management  
Our People  
Governance

## 40 How We Collaborate

Partnership for the Same Goal  
Partnership for the Community  
Contribution to UN SDGs

## 44 GRI Index





# Our Company



Macay Holdings, Inc. (Macay) is an investment holding company with headquarters in Makati, Philippines and publicly listed with the Philippine Stock Exchange since 2014.

Macay currently serves as the parent company of ARC Refreshments Corporation ("ARC"), ARC Holdings, Inc., Artemisplus Express Inc. ("AEI") and Macay Global Ventures Inc. ("MGVI").

Macay was formerly known as Maybank ATR Kim Eng Financial Corporation (MAKE) which underwent corporate re-organization and divested its former businesses. In 2013 the investor group led by Mr. Alfredo Yao acquired

controlling interest in MAKE and renamed the company to Macay Holdings Inc. consolidating the softdrinks manufacturing operations and substantially all of the operating resources previously under Asiawide Refreshments Corporation (Asiawide) and Mega Asia Bottling Corporation (Mega Asia) under newly incorporated company ARC Refreshments Corporation.

In 2020, Macay acquired ArtemisPlus Express Inc. which operates under the trade name Kitchen City. AEI is the leading canteen concessionaire in the Philippines (servicing clients mainly from BPO, corporate, manufacturing, and hospital segments)

and recently ventured into sale of packed meals and frozen meals.

Recently, the purchase by MGVI of RC Global Beverages Inc. ("RCGBI") has folded in the global licensing rights to RC Cola and associated brands in over 100 countries (excluding US, Mexico and Canada). RCGBI also develops flavors and provides concentrates for customers in different countries.

As an investment holding company, MACAY aims to expand the presence and market share of ARC, AEI and RCGBI brands and products as well as enter into the manufacturing,

distribution, and sale of other consumer-focused products worldwide.





## Our Vision

To be a dominant company in consumer products and services in the Philippines and in other Asian countries.



## Our Mission

We are in the business of building a portfolio of consumer products and services that enable us to provide superior value for our customers in the Philippines and other Asian countries.

We provide opportunities for growth and enrichment to our employees and contribute to the success of our business partners in the communities where we operate, and realize financial gains for our shareholders.

We strive for honesty, fairness and integrity in all our dealings under high standards of corporate governance.



# Our Team


## OUR BOARD OF DIRECTORS



**Alfredo M. Yao**  
Chairman of the Board



**Antonio I. Panajon**  
Director



**Armando M. Yao**  
Director



**Jeffrey S. Yao**  
Director



**Mary Grace S. Yao**  
Director



**Roberto S. Atendido**  
Director



**Carolyn S. Yao**  
Director



**Albert S. Toribio**  
Director



**Gerardo T. Garcia**  
Director



**Rinaldi C. Aves**  
Director



**Jesus G. Gallegos Jr.**  
Independent Director



**Valentin T. Chua**  
Independent Director



**Roberto F. Anonas Jr.**  
Independent Director

## OUR MANAGEMENT TEAM

**Antonio I. Panajon**

**Jeffrey S. Yao**

**President**

**Treasurer**

Gabriel A. Dee

Gerardo T. Garcia

Renato J. Jamlang

Nicole R. Jayme

Corporate Secretary

Assistant Corporate Secretary

Controller

Business Development Director

# About this report



This year marks the fifth (5th) Sustainability Report of Macay Holdings, Inc. The first sustainability report was published in 2020.

The information presented in this report is derived from the fiscal year 2023 (January 1 – December 31, 2023).

The report details Macay's environmental and social impact last year particularly through the endeavors of its subsidiaries. The data presented in this report were collected from the bottling plants, commissary and corporate offices at ARC and AEI.

This report aims to provide updates on the material business issues and current sustainability practices and strategies of the Macay Group, that are achieved through strong collaborations and partnerships with stakeholders. The report focuses on three core areas, Environmental, Social, and Governance which are conveyed

through this report based on the value we create, how we operate our business, and how we collaborate with our stakeholders.





# Our Sustainability Approach

## Reporting Process



### 1 Identification of material issues

Material issues to Macay and its stakeholders were identified through a survey that was conducted in 2020 wherein a list of economic, social and environmental topics was identified through company priorities, industry benchmarking, global trends and reporting standards.

The topics identified were assessed based on its significance to business operations and importance to Macay’s stakeholders. Prior to the survey, a sustainability forum was conducted in 2020 to enlighten and engage the employees on what sustainability is and how it matters.

### 2 Stakeholder Engagement

Macay’s main stakeholders are its customers, employees, business executives, suppliers, contractors, non-government organizations and shareholders. The company work closely with its stakeholders and maintain an open and active communication channels. Survey was given to the identified stakeholders

where they evaluate the significance, importance and relevance of identified material issues to Macay. We value and seriously consider opinions, concerns and suggestions which are conveyed for the purpose of identifying the material topics for the sustainability report.

### 3 Prioritizing Topics

The Identified material topics from the survey conducted with the stakeholders were ranked based on its significance to the business and to the stakeholders. The results from the survey allowed the group to identify key priorities and topic boundaries for the sustainability report.

### 4 Data Gathering

The information and data relevant to the identified priority topics by the stakeholders were collected and disclosed in this report. The company determines the scope in reporting the identified material issues based on the information collected from its stakeholders, for the information to be comprehensive and accurate and in order to address the issues of high interest to its stakeholders.

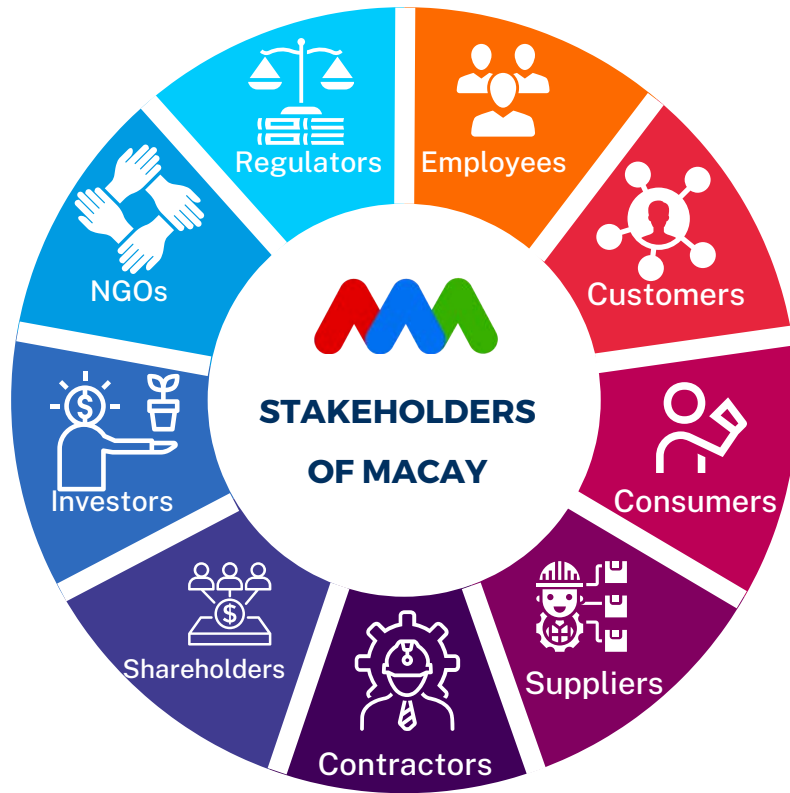
### 5 Management Review & Approval

The result of the assessment became the basis for setting topic boundaries to be covered in the sustainability report. The result of the materiality assessment and collected data was presented to the management for review and approval.





# Stakeholder Engagement & Materiality Assessment



A study back in 2020 explored the perceptions of Macay’s stakeholders on sustainability strategy and its three pillars, economic, environmental and social.

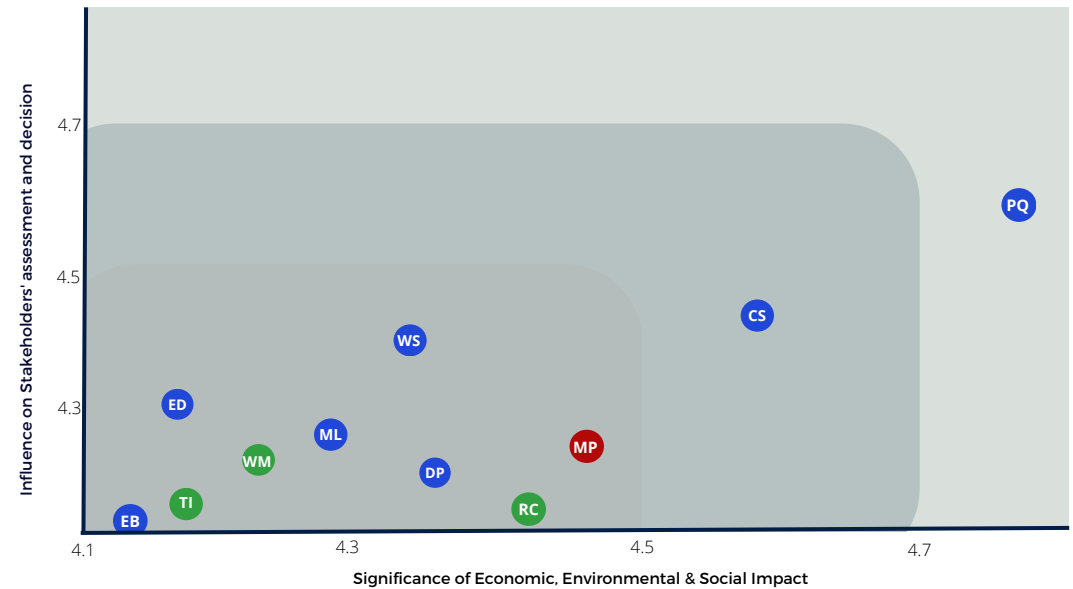
The initial portion of the study was a survey taken by customers, suppliers, contractors, NGOs, employees, and shareholders of the parent company, Macay Holdings Inc.

Topics identified in the materiality survey were further explored through in-depth interviews with a diverse group of stakeholders in order to add context and insights to the initial findings of the study.

The identified material topics become the

boundary topics and the basis for the content of Macay’s sustainability report.

It was deemed that the following topic disclosures are still material to the company up to this date.



- |                              |                                      |
|------------------------------|--------------------------------------|
| Economic                     | Social                               |
| MP - Marketing Presence      | PQ - Product Quality & Safety        |
| Environmental                | WS - Workplace Safety & Security     |
| WM - Waste Management        | ED - Employee Training & Development |
| TI - Technology & Innovation | ML - Marketing & Labeling            |
| RC - Regulatory Compliance   | EB - Employee Hiring & Benefits      |
|                              | DP - Data Privacy                    |
|                              | CS - Social Responsibility           |




# Sustainability Framework



Our strategic framework is anchored on the four (4) sustainability pillars namely, Growth, Environment, People and Community. The identified material topics were also per grouped per pillars .

The format of this report was aligned on the sustainability framework and its corresponding relevant topics

### What we create



◎
**Growth**

We aim to expand the presence and market share of our products across the country

Relevant Material Topics:

- Product Quality & Safety
- Marketing & Labelling
- Market Presence

### How we operate



◎
**Environment**

We continue to work towards minimizing any negative impact on the environment by implementing policies and measures that highlight water and energy conservation, renewable energy source, waste and emission reduction, and sustainable packaging

Relevant Material Topics:

- Waste Management
- Material Used
- Regulatory Compliance

◎
**People**

We give importance to our people by making sure that their health and safety are prioritized. We foster employees' personal and professional development through our training and coaching program

Relevant Material Topics:

- Workplace Safety & Security
- Employee Training & Development
- Employee Hiring & Benefits

### How we collaborate



◎
**Community**

We allocate resources and time to assist residents in the areas where the Group operates and extent help through outreach activities in community or group settings

Relevant Material Topics:

- Social Responsibility



## What we create

**ARC  
Refreshments  
Corporation  
creates a  
variety of high  
quality and  
affordable  
refreshing  
drinks**



ARC continuously innovates to introduce new flavors and products to meet the evolving demands of Philippine market.



## Our Products

ARC operates and maintains the business of manufacturing, bottling, distributing and trading beverage products on wholesale basis. Our products cater to diverse consumer preferences and are available in various flavors and packaging sizes.

Our flagship product is RC Cola. Aside from this, we also manufacture and distribute other softdrink brands such as Fruit Soda Orange, Fruit Soda Dalandan, Juicy Lemon, Arcy's Rootbeer, Seetrus and Rite n' Lite.

Also, ARC have the license to manufacture and distribute Extra Joss in the country.

## What we create

**Kitchen City is the largest food concessionaire in the Philippines, serving more than 100,000 meals per day, servicing different industries in the country**



Kitchen City is also the best caterer in Manila, trusted by largest corporate clients and accredited by major venues in the metro



# OVERVIEW OF PRODUCTS & SERVICES



Corporate Cafeteria



Corporate Catering



Hospital Dietary



Packed Meals Delivery



Pick Up Grocer



Kiosk Management



Prescription Meals Program



Restaurant Operations



Frozen Cooked Meals



Krispy Chix



Brand Partnership



Frozen Meat Cuts



KC Baker

## Product Quality & Safety

Ensuring the quality and safety of our products is essential for our business. It is crucial for protecting consumer health, maintaining brand reputation, complying with regulations, building consumer confidence, gaining a competitive advantage, mitigating risks, upholding ethical standards, and fostering long-term sustainability.



The quality of our products directly impacts our customers, and any compromise in this aspect can result in reputational risk, compromise stakeholder's trust, and even impact the company's capacity to generate revenue. To guarantee unwavering standards of quality and safety, we enforce rigorous oversight across all operational stages, not just on the production stage but also including procurement, storage,

transportation, and last-mile delivery service.

Our commitment to maintaining excellence has led us to install product quality and safety standards, and systems in place aligned with global and national standards such as GMP, HACCP, FDA, DOH, and DTI. We ensure that our own quality and safety management systems are reflected in our everyday activities at every stage of our value chain to provide safe, high quality and secure products to our customers.

## Product Development

In addition to upholding stringent quality control throughout our production process and value chain, both ARC and Kitchen City have a dedicated research and development team focused on creating innovative products. They actively engage with business partners to conduct research for the development of healthier options for consumers. Noteworthy examples of these are the development of low to no-sugar-content drinks such as Rite N' Lite and Royal Crown No Sugar, as well as the prescription meals program of Kitchen City.

By providing consumers with healthier and more nutritious choices, we actively contribute to the

improvement of public health.

During product development, we rigorously examine quality to ensure that the products provided to customers, satisfactorily achieve the quality that they are designed to have.

The R&D group of our subsidiaries reviews the quality risks surrounding raw materials, container materials, manufacturing methods, labeling, and other particulars.

Throughout the product development process, many stages in our operations involve a quality review, and we carefully examine everything to ensure compliance with relevant laws and our internal quality standards.





## Product Labelling and Marketing

We ensure transparent disclosure of nutritional values on the labels of our products. Through this, the consumers are empowered to make an informed choice about the products they consume for their well-being.

All of our products have been assessed for compliance

with the regulations on labeling as set forth by the Dept. of Trade and Industry (DTI). This requires all product labeling to show the source of components, the content of the product, and nutritional value. A safe disposal sign for the beverage packaging is also included on our products.

For our food meals, the Allergen content of each menu is carefully identified by the Food Safety Department of Kitchen City for proper labeling and product information. Cafeteria sites also use dish tags with complete menu names, allergen declaration, calorie count, and holding time for food safety.



Proper product labeling is not just a regulatory obligation but also a strategic imperative for businesses, encompassing aspects of consumer safety, legal compliance, brand reputation, market access, and ethical conduct. Macay recognizes that effective labeling practices can yield significant benefits in terms of customer trust, competitive advantage, and overall business success.

We strives to conduct responsible marketing with regard to product package labeling and advertising activities. We pay great attention to appropriate labeling and expressions.

We also continues to create campaigns that resonate with audiences thereby building stronger brand relationships.

# Our Value Chain

Macay recognizes that integrating ESG considerations into the value chain is essential for enhancing risk management, operational efficiency, stakeholder engagement, innovation, regulatory compliance, long-term value creation, supply chain resilience, investor confidence, employee engagement, and brand reputation.

Macay considers the value chain a key factor in improving ESG performance. Because of this, we consistently review the operations of our value chain to ensure sustainability principles are followed, to increase production efficiencies, and to improve the quality of our distribution, marketing, sales, and packaging management.



## How We Operate

**At Macay, we strive to manage our impacts carefully, promoting the preservation and development of the environment and society and faithfully practicing good governance, with a focus on sustainable development in every area of our operations.**



Macay recognizes that integrating ESG and sustainability into operations is essential for driving business success, mitigating risks, enhancing reputation, accessing capital, complying with regulations, engaging employees, fostering innovation, and creating long-term value for all stakeholders.

## Responsible Sourcing

Responsible sourcing of raw materials is a critical aspect of achieving sustainability across the organization. It involves ensuring that the extraction, production, and distribution of raw materials are conducted in a manner that minimizes negative environmental and social impacts while maximizing positive outcomes.

Macay strives for sustainable and socially responsible sourcing and procurement processes and criteria that meet our internal standards to ensure our delivery of high-quality products.

Each of our subsidiaries established pre-qualification criteria and stringent standards that the suppliers have to comply with to ensure a

sustainable procurement process. The respective Purchasing Department of both ARC and Kitchen City is in charge of sourcing raw materials for the company. Aside from raw materials, the department also sources essential supplies for the company. The company, through its purchasing department, implements a stringent accreditation process to ensure that suppliers or contractors that we work with, have values and goals aligned with the company. As part of our supplier accreditation process, we check and verify if the suppliers have environmental and sustainable procurement practices. We see to it that the accredited supplier has a quality management system, environmental management, and health



*In 2023, Pilipinas Shell Foundation partnered with Kitchen City Café to support local farmers*

and safety policies in place. All products undergo a standardized procurement process to ensure that all suppliers demonstrate a high level of environmental and social responsibility.

We continue to collaborate with suppliers to ensure the sourcing of high-quality raw materials and ingredients, underscoring our commitment to deliver products that prioritize health and well-being.

## Product Manufacturing



At Macay, we continuously improve every stage of our production processes ensuring that every product produced in our manufacturing plants and facilities is compliant with internal and regulatory standards. Recognizing that our operations have an

impact on the environment where we operate, we strive to improve our operational process to minimize our environmental footprint.

As our testament of dedication towards production process development, we are committed to managing

product quality and aims to have environmentally-friendly production standards that are responsible to all stakeholders and in accordance with various national regulatory standards covering environment, safety, and consumer health. Moreover, we ensure production safety, i.e. implementing proper hygiene management, using high-quality and safe raw materials.

Furthermore, we also ensure that all resources used by the company, such as water and energy, are managed responsibly, efficiently and through best practices, in order to avoid generating pollution in the environment, damaging natural habitats, or harming society. We make use of renewable energy sources in our production, whenever possible. Also, we continually source technology that could

further improve our production process at a lower environmental impact.

Correspondingly, to manage our environmental impact we systematically perform data collection and periodically monitor the integrity of input and output data of all resources used in production processes such as raw materials used, energy and water consumption, GHG emission and packaging and waste generated.

ARC's production volume in 2023 is 59,317,128 cases. This is 24% less compared to 2022 production volume.



## Our Locations

Currently ARC has ten bottling plants and seven warehouses situated in various strategic locations across the country bringing ARC products closer to its dealers and customers.

### Bottling Plants:

1. Isabela
2. Pangasinan
3. Pampanga
4. Quezon City
5. Antipolo
6. Laguna
7. Iloilo
8. Cebu
9. Davao
10. Tagoloan

### Warehouses

1. Manila
2. Cavite
3. Nueva Ecija
4. Cagayan
5. Cebu
6. Bacolod

Kitchen City operates a modern commissary & warehouse facility located at FTI Complex in Taguig City. The said structure was designed and built according to the principles of Good Manufacturing Practices (GMP) to ensure that the food production line and process are designed to minimize risks of contamination and to remain committed to the hygienic quality standards of manufacturing large scale ready to eat cooked food.



**7**  
Warehouses 

**10**  
Production Plants 

**1**  
Commissary 



## Climate Action and Energy Management

Reducing emissions from operations is one of the most significant contributions Macay can make to address climate change and secure our long-term future. The company acknowledges the importance of managing climate-related risks, as well as maximizing the opportunities from climate change, to ensure a sustainable long-term future for our operations.

Acknowledging the challenges posed by climate change, we prioritize our goal by placing significant emphasis on managing energy efficiency across our entire value chain. This involves reducing overall energy consumption, elevating reliance on renewable energy sources, and integrating high-energy-efficiency technologies.

Collaborating closely with our partners, we are committed to developing operations with low energy intensity and implementing effective management strategies for packaging materials and waste.

Climate change pose significant impact not only on the environment but also on economic and community well-being. Macay recognizes the need to accelerate actions to address the climate crisis, while contributing to global efforts to limit the global temperature increase to below 1.5 C as part of our contribution to the Paris Agreement, and improving our resilience to potential climate impacts.

We acknowledge the importance of managing climate-related risks, as well as maximizing the opportunities from climate change, to ensure a sustainable long-term future for our operations.

### Governance

In terms of managing climate-related risks, we have implemented policies that aims to address climate action, such as our Safety, Health, and Environment Policy.

### Strategy

Our business and particularly our stakeholders will feel complex effects of climate change. Changes in our climate have the potential to disrupt our operations, present risks to the health and safety of our co-workers, and make our communities more vulnerable. Moving forward, we are making efforts to improve our understanding of the risks and possibilities associated to climate change for our company.

### Metrics & Targets

Through operational efficiency improvements and strategies to better utilize resources, especially energy, water, and waste, we hope to lower our energy intensity. Our annual disclosures include regular monitoring and reporting of our greenhouse gas emissions.



In 2023, the total GHG emission of Macay significantly dropped by 13% from 2022 with a total of 42,575.78 MT CO<sub>2</sub>. This is due to the reduction on production volume of ARC.

Both Scope 1 and 2 emission decreased from 2022 data, with Scope 1 emissions being 17% lower while Scope 2 decreased by 6%.

Scope 1 emissions are coming from fuel consumption both from production and fleet consumption for the distribution of products.

Fuel is used throughout our operations. During the production stage, fuel is used for the boilers. Most of the boilers used by ARC are diesel-fired boilers, while there are also a few that use bunker fuel. Fuel is also used by mechanical handling equipment or forklifts in the warehouse. To maintain the fuel efficiency of this equipment as well as its safe operation, forklifts are being maintained regularly.

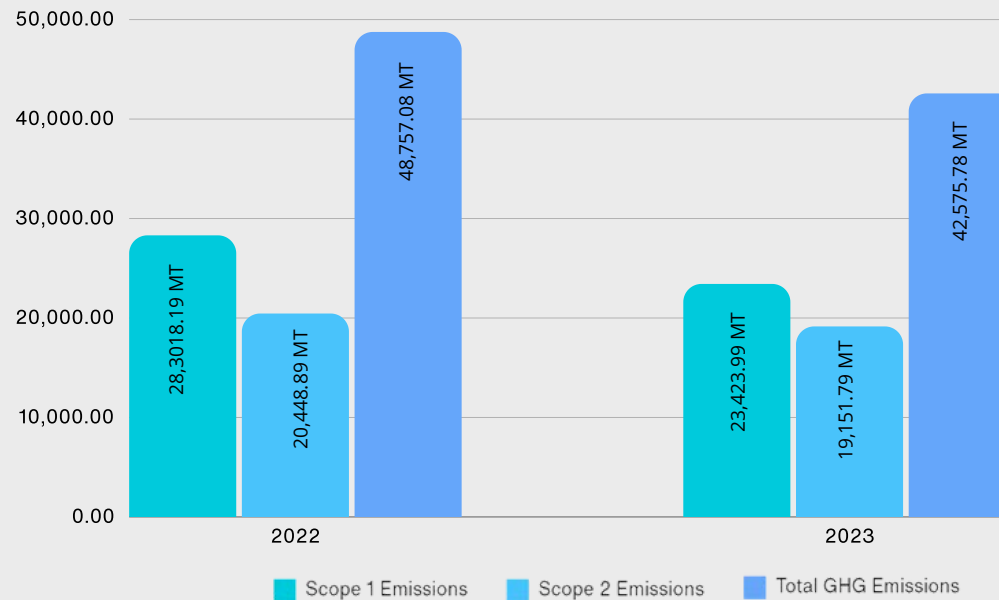
Fuel is also used at the distribution stage of our value chain. ARC has more than 500 fleet of trucks used for delivering products to our partner distributors and key account areas. All of our trucks are Euro 4 compliant and are well-maintained to ensure the safety of our products and employees.

Our companies also has service vehicles to further support our operations and business. Our service vehicles use both gasoline and diesel.

The reduction in our Scope 1 emissions is due to the fuel efficiency measures that have been put in place and also due to a reduction in production volume in 2023.

Scope 2 emissions, on the other hand, are emissions from the electricity consumption of the entire organization. There was an evident decreased in Scope 2 emissions in 2023, due to decreased in electricity consumption organizational-wide.

GHG Emissions Data



%GHG Emission Reduction

13%

Reduction compared to 2022







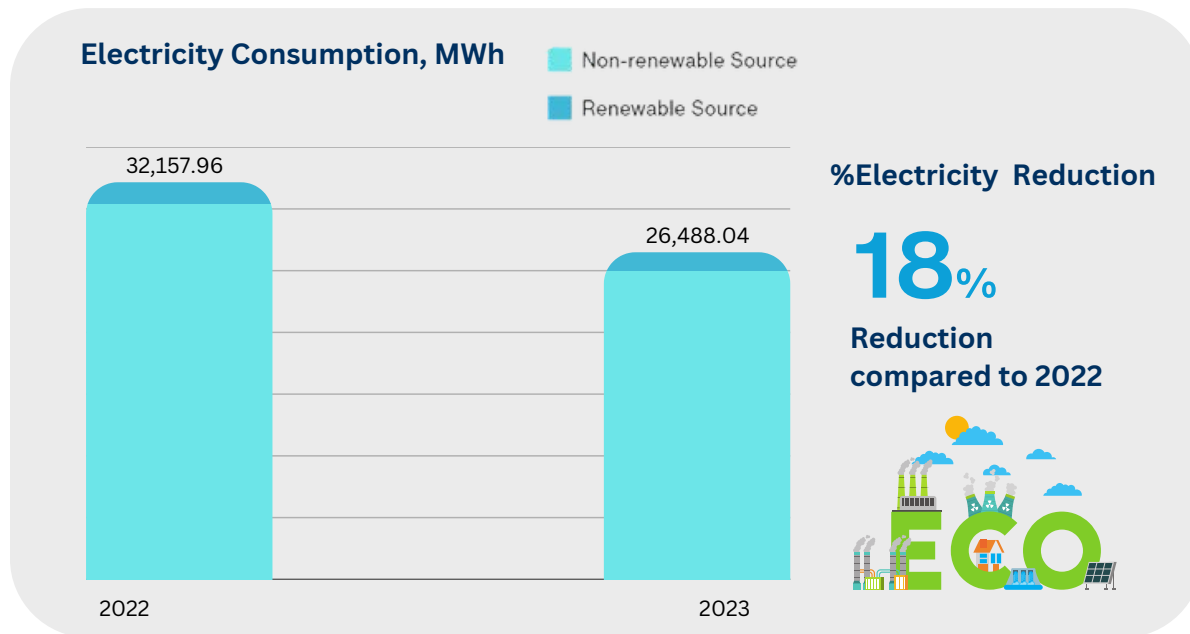
In 2023, the total electricity consumption of Macay decreased by 18%. The reduction in electricity consumption organizational-wide is due to the decrease in production output of ARC. Correspondingly, the energy-use ratio (EUR) of ARC decreased by 9% compared to 2022. The energy use ratio is computed as Megajoules of electricity per number of cases produced.

This reduction in EUR indicates an improvement in our energy efficiency, where less energy is required to produce every case of our beverage products. Decreasing the energy use ratio is one of the goals of our energy management initiatives which we aim at reducing costs, minimizing environmental impact, and increasing sustainability. Some of the strategies that we have implemented to decrease our energy use

ratio are implementing energy-efficient technologies, optimizing processes, adopting renewable energy sources, and promoting behavioral changes to reduce energy wastage.

Macay acknowledges that by lowering our energy use ratio, our organization can contribute to energy conservation efforts, mitigate climate change by reducing greenhouse gas emissions associated with energy production, and enhance overall resource efficiency.

One of the energy management initiatives of ARC and also an initiative to lower the organization's emissions, is the use of renewable energy. Two ARC plants have solar panels, namely the Cabuyao Plant and Iloilo Plant. The total renewable energy generated and consumed in 2023 is 16% lower compared to the previous year which is equal to 1,446.82 MW. The decrease in renewable energy consumption is due to the decrease in production volume in 2023.



Energy Consumption, GJ	2022	2023
Diesel/Gasoline	276,645.67	242,090.84
Bunker Fuel	95,759.79	62,363.67
Electricity	109,565.88	95,356.95
LPG	15,241.13	18,093.00
<b>Total</b>	<b>472,302.29</b>	<b>417,904.46</b>



## Water Stewardship

Water is a finite resource, and reducing water usage helps conserve this precious resource for future generations. Water is an essential raw material in the operation of Macay's business units.

Acknowledging that the lack of access to sufficient water quantities or quality can pose a material risk to the business, the company concentrates on sustainable water management methods throughout the value chain. The Macay Group aims to increase water efficiency, uphold clean water regulations, and safeguard significant watersheds on a nationwide scale.

Macay Group has identified water management as one of the key material issues that can enhance the company's climate resilience. We manage water-related issues by identifying risks and opportunities, as well as monitoring the risks. We review our physical risk assessment related to water in all our production

facilities, in order to understand potential risks and to prepare for the impacts of climate change. This enables each facility to develop appropriate water-related risk management plans and mitigation measures.

Some of the water conservation measures we have implemented are water recycling and process optimization.

In 2023, the total water consumption of ARC is about 154,490 cu. m. This is higher than the previous year's water consumption. However, despite the increase in absolute water consumption, the water-use ratio (WUR) of ARC also considerably decreased by 3%. On the other hand, the water consumption of Kitchen City also increased by 7%

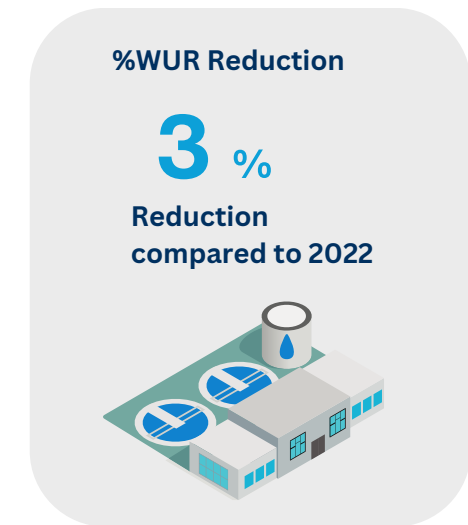
By using water more efficiently, our plants not only contribute to the sustainable management of water resources, it also help

us mitigate negative environmental effects. High water usage in bottling plants can have significant environmental impacts, such as depleting local water sources, disrupting ecosystems, and contributing to water pollution through wastewater discharge. For this, we see that it is imperative for us to continuously monitor and manage our water consumption.

Macay also recognizes the importance of effective wastewater management. Effective wastewater management is crucial for protecting public health, safeguarding the environment, and ensuring the sustainable use of water resources. All of the ten bottling plants of ARC are equipped with wastewater treatment facilities.

The effluent from our business units' operations undergoes various treatment processes to remove pollutants and contaminants before it is discharged back into the environment or reused. The

company also ensures that the treated wastewater from the plants is within the limits set forth by DENR. Regular testing of the treated wastewater is being done in all of our plants.





## Waste Management

Waste management plays a crucial role in protecting public health, preserving the environment, conserving natural resources, and promoting sustainable development. Poorly managed waste can pose serious health risks to communities, including the spread of diseases through contamination of water sources and air pollution from open burning of waste. Moreover, inadequate waste disposal can lead to pollution of soil, water bodies, and air, causing harm to ecosystems and biodiversity.

Recognizing its responsibility to communities, society, and the environment, our subsidiaries has implemented a waste hierarchy system on the circular economy principle, emphasizing

3Rs – reduce, re-use, and recycle to prevent and mitigate waste-related impacts. Many waste materials from our operations such as plastics, paper, tin cans, shell cases,

and glasses, are being recycled and reused to produce new products, thereby conserving valuable natural resources and reducing the need for virgin materials. Recycling also reduces energy

Solid Waste Generated, MT	2021	2022
Reusable	637,518	309,864.49
Recyclable	13,302	25,568.90
Residuals	1,516	1,771.26

Hazardous Waste Generated, kg	2021	2022
Used Oil	227,140	13,800
Batteries	283,133	11,940
Oil contaminated materials	1,219	888
Others	3,418	60,877.15

consumption, greenhouse gas emissions, and pollution associated with extracting, processing, and manufacturing raw materials.

All of our locations have designated Pollution Control Officer (PCO) ensuring compliance with the waste management regulatory standards.

Furthermore, all of our production facilities have Material Recovery Facilities and Hazardous Waste Storage Areas to enable proper waste segregation and storage in accordance with the standards set forth by Dept. of Environment and Natural Resources (DENR).

Moreover, all wastes generated by our facilities are collected, transported and disposed by a 3rd party DENR accredited haulers and treaters.



## Packaging Management



% Packaging Material used by weight

**99.54%**

made from renewable mater such as glass bottle



**0.46%**

made from recyclable material (PET and tin cans)



Packaging design plays a significant role in brand recognition, consumer appeal, and transportation efficiency. For Macay, packaging management is a critical aspect of our operations, encompassing the handling, design, procurement, use, and disposal of packaging materials used. Choosing appropriate packaging materials is essential for ensuring product quality, shelf life, and brand integrity. At Macay, we evaluate factors such as durability, compatibility with the beverage, environmental impact, and cost-effectiveness when selecting packaging materials may it be glass bottles, plastic bottles, aluminum cans, shell cases, or even pallets. We ensure that our packaging materials are

functional, aesthetically pleasing, and optimized for storage, stacking, and transportation to minimize waste and maximize space utilization. With increasing consumer demand for environmentally friendly products, bottling companies are increasingly focusing on sustainable packaging solutions.

At ARC, 100% of the packaging materials we use are renewable and recyclable. In 2023, 99.54% of the packaging material we used by weight is made from glass bottles with a total weight of 575,635 MT, while the other 0.46% is made from recyclable materials such as PET bottles and tin cans weighing 2,669.91 MT.

## Market Presence

The Macay Group established distribution network and strong relationship with our trade partners and customers ensure that our products reach their destination in a timely manner. Through our different channels of engagement, we are able to optimize our presence within our areas of operation. ARC's and Kitchen City's presence in modern and traditional trade channels, such as sari-sari stores, convenience stores, supermarkets, grocery stores, restaurants and carinderias ensure that our beverage products remain readily available and accessible to our consumers.



*In 2023, Kitchen City partnered Figaro Coffee for the launch of the first ever Lobby Café at the World Center Manila.*

### Kitchen City's Location



- NCR
- Cavite
- Laguna
- Baguio
- Batangas
- Bulacan
- Pampanga
- Tarlac
- Pangasinan
- Iloilo
- Bacolod
- Cebu
- Quezon Province



## Building Strong Connections with Our Partners

Macay Group continues to develop new approaches to strengthen our relationships with our clients including our sales agents who are essential to the growth of our company. Our customers are also important because they are pivotal to the operational success and long-term financial stability of our business, so we recognize the importance of understanding and responding to their needs.

To enhance our customer relationship management sustainably, we have undertaken various projects, including the implementation of digital platforms through our social media pages to support our customers. Additionally, our business units conduct an annual customer satisfaction survey to obtain our customers' valuable feedback for further improvement. We are committed to ethical

marketing practices as well as ensuring that all our consumers are treated equitably.

All sales teams from our channels, encompassing Traditional Trade, Modern Trade, and On Trade, actively assess and prioritize customer satisfaction as an integral part of their day-to-day work. Our sales team also adheres to our work ethics and policies, which align with legal regulations.

Moreover, the company holds an annual sales conference, to build relationships, gather feedback for ongoing improvements, and update our business partners on our objectives and future directions.

We seek to build strong relationships with our customers and promote their highest satisfaction

through strategies such as supporting the businesses of our partners to grow sustainably, developing our business partners' professional capabilities through capacity building, collaborating with agents and business partners to increase product knowledge and skills in digital promotion and services, and exploring new digital platforms to engage customers and consumers to build more brand loyalty.

In cases of customer complaints, incidents are promptly reported through a designated channel or group to handle the situation. We place top priority on safeguarding our customers and make a company-wide effort to minimize any damage that may result through several approaches. We work to ascertain the facts and circumstances and promptly disclose

necessary information to prevent increases in damage and concern. We also take the initiative in taking every appropriate action for our customers. Furthermore, we promptly report to the supervising authorities and quickly respond to any requirements.

Subsequently, initiatives are taken for the prevention of recurrence within the Group and the strengthening of the Quality Assurance System. Our Quality Assurance (QA) team meets regularly to share quality complaints received from customers, analyze their causes, and develop measures for improvement.

## Our People



At Macay, we recognize that our success is driven by our people. We continue to raise the bar on talent and performance management and strive to create a winning culture.

We demonstrate deep care for our people by providing support for our people's health, safety, and well-being. We are proud to lead a social sustainability and human rights agenda that is relevant and meaningful.

The company's commitment to professionalism and excellence is reflected in our comprehensive employee engagement programs and development initiatives. Furthermore, the Macay

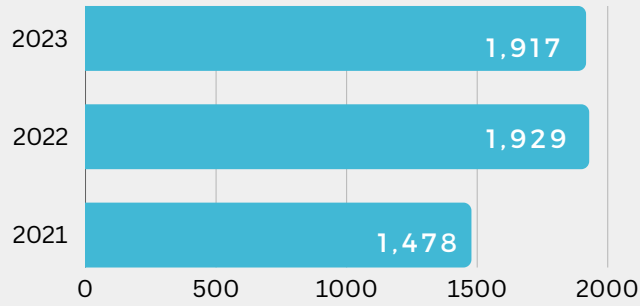
Group advocates diversity in the workplace, actively promoting support and respect for individuals with varied backgrounds. The Macay Group also emphasizes participation and collaborative development, fostering a culture of joint efforts to achieve shared goals.

We work hard to unlock the full potential of our people in the organization by strengthening connections among employees aiming to build a culture of belonging and giving people the opportunity to thrive in their respective fields.

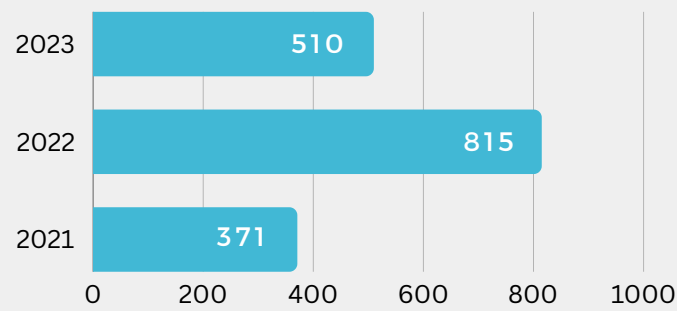


## ARC's Social Impact

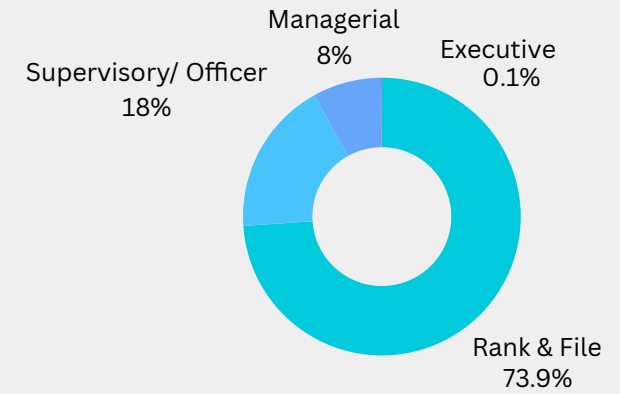
### Total Employees, FTE



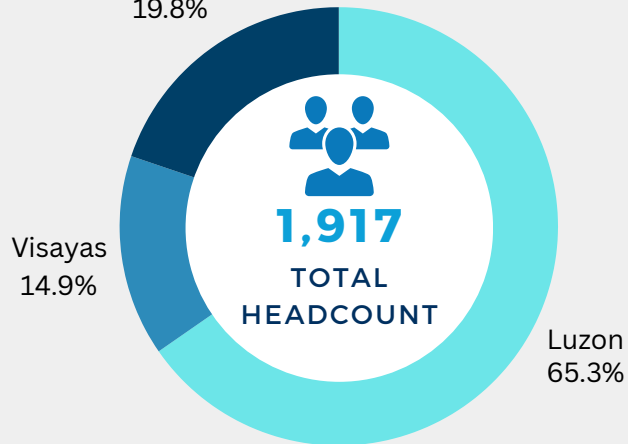
### Total New Hires, FTE



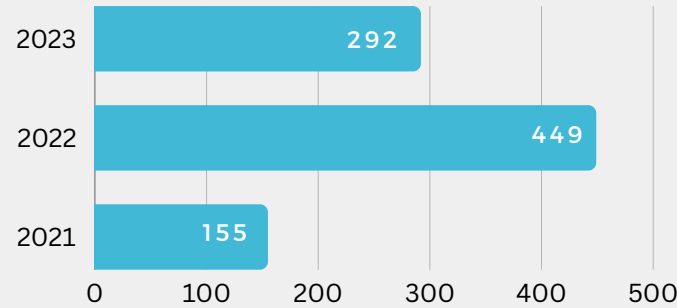
### Employee by Position



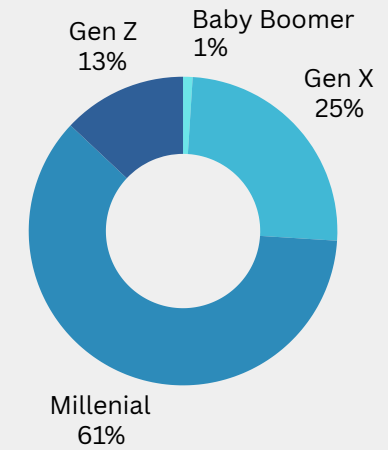
### Mindanao 19.8%



### Regularized Employees, FTE

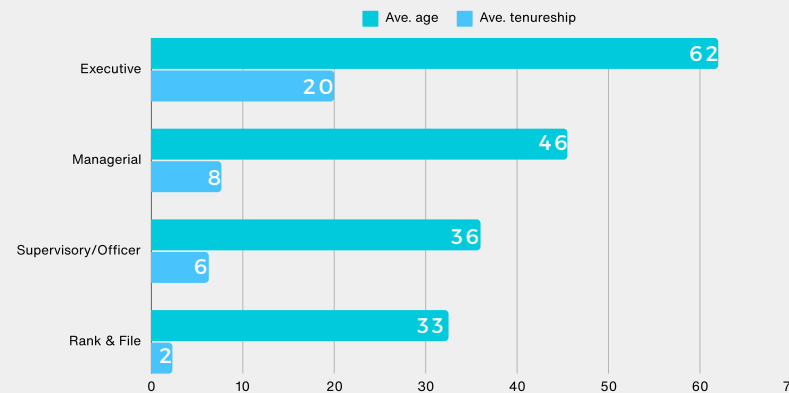


### Employee by Age Group

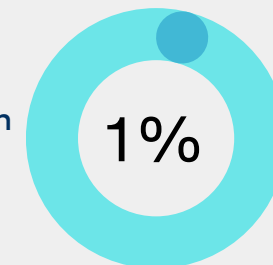


**16%** Female  
**84%** Male

### Age and Tenureship per position



Attrition Rate

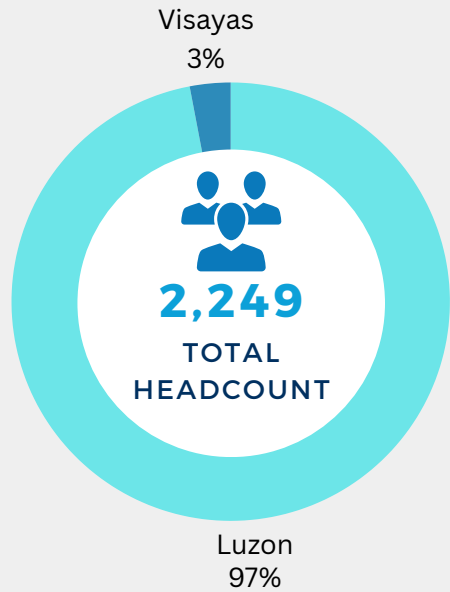
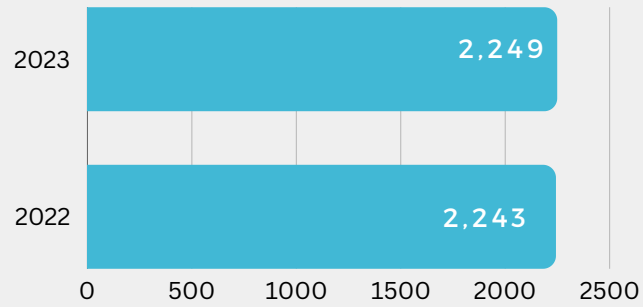






### Kitchen City's Social Impact

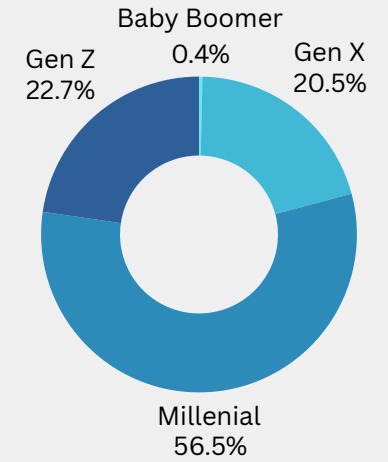
Total Employees, FTE



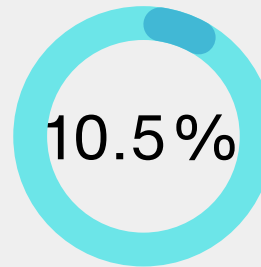
### Tenureship per position



### Employee by Age Group



Attrition Rate



**615** New Hires



**51%**  
Female



**49%**  
Male

## Employees' Safety

The Macay Group recognizes that our business will only be sustainable if the health, safety, and well-being of our employees and the communities we work within are a top priority. We are committed to creating a workplace where we feel safe, secure, and healthy, where we can flourish individually and prosper together.

We focus on shaping a leading health and safety culture fully embedded in our ways of working, counting on everyone's leadership, engagement, and participation. To support this journey towards shaping a leading health and safety culture, several programs have been developed and rolled out in the past years. Some of the programs are such as health bulletins, safety training, and, seminars. Company-wide, there is an annual physical examination of all employees, as well as drug testing. The company has a zero-tolerance policy

regarding the use of drugs and alcohol in the workplace.

The company evaluates and works to minimize the risks to the safety and health of our employees across our operations and locations to ensure the safety and health of our people in our workplace and even in our surrounding community. We considers both the physical and mental health of our employees in managing our business.

All of our facilities have designated health and safety personnel, first-aiders, nurses, and security officers, all trained for emergency preparedness and response ensuring that our employees will be well-assisted in case of emergency.

We also ensure that the health and safety management systems and processes we put in place are in alignment with the standards of the Department



of Labor and Employment and the Local Government Units. In every location, aside from having a safety officer, we have Health and Safety Committees. These committees identify issues and points of improvement at each workplace and take measures in response. We will continue to implement

our health and safety-related activities and measures to ensure the safety of our employees at workplaces and we will aggressively advance any initiatives to be mandated by the government that are aimed at improving employee health and well-being.



## Diversity, Inclusion and Belongingness in the Workplace

The Macay Group recognize that promoting diversity and belongingness in the workplace is essential for fostering a culture of inclusivity and innovation.

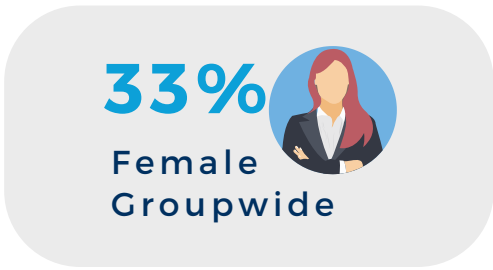
In 2023, we continued to shape an inclusive and equitable environment to unlock the full potential of our diverse group of people. We focused on fostering

courageous leadership, promoting an inclusive culture, and creating equal opportunities. Macay promotes Diversity, Equity, Inclusion, and Belongingness with the aim of creating a highly diverse organization in which each individual can shine, and where all employees feel valued, respected, and empowered to contribute their unique

talents and perspectives, and implements many different activities to provide its employees with a positive work environment.

We are committed to providing equal employment opportunities across diverse sets of people, regardless of gender, ethnicity, age, and vulnerability. We eliminate any form of bias during the

hiring process, instead, we focus on determining skills and capabilities to ensure that the right people are hired for the right job.



*We are committed to creating an inclusive workplace, where people can be themselves and collaborate freely: a workplace that has a positive impact on every employee's health, safety, development, and well-being.*

Every year, ARC have a day wherein every employees spend lunch time together. Deriving from the concept of "sala-salo" with the objective of bringing employees closer together making them feel they belong and valued in the organization





## Employee Relations and Development

All of our Group’s employees receive the legally required compensation and benefits. Our company offers a competitive employment and retirement benefits. Employees’ compensation is above the minimum wage. On top of the government-mandated benefits, we also provide the following benefits to our full-time employees: life insurance and personal accident insurance, medical benefits such as HMO, hospitalization reimbursement, and APE, birthday Leave, company loan for emergency situations (Calamity Loan), educational assistance loan, retirement plan and Christmas package.

The vacation and sick leaves that our company provide are 5 days more than the mandate by DOLE.

ARC provides retirement benefits to regular employees who are age 60 years old and above. Early

retirement benefits, on the other hand, are provided to regular employees who have at least 10 years of tenure and are at least 50 years old. Resignation benefits are also provided to regular employees whose ages are below 50 years old and with at least 10 years of service to the company.

At ARC, we focus on shaping a leading health and safety culture fully embedded in our ways of working, counting on everyone’s leadership, engagement, and participation. To support this journey towards shaping a leading health and safety culture, several programs have been developed and rolled out in the past years. Some of the programs are such as health bulletins, safety training, and, seminars. Company-wide, there is an annual physical examination of all employees, as well as drug testing.

EMPLOYEE BENEFITS	Employees who availed	
	Female	Male
SSS		
Salary Loan	93	385
Sickness Benefit	91	31
Maternity Benefit	12	n/a
Philhealth	15	26
HDMF		
Salary Loan	68	431
Housing Loan	0	0
Paternity Leave	n/a	30
% of employees who returned after paternity leave	n/a	97%
Solo Parent Leave	6	5
Special Leave for Women	0	n/a
Maternity Leave	12	n/a
% of employees who returned after maternity leave	100%	n/a
Birthday Leave	167	720
Vacation Leave	191	1238
Sick Leave	164	945
Medical Benefits		
Health Maintenance	1	2
Hospitalization Reimbursement	0	7
Annual Physical Exam	226	1,228
Retirement Plan	3	25
Education Support	75	395



The Macay Group is committed to creating a great place to work by providing a safe working environment and by treating all its employees in accordance with government regulations. In support of this, there are local HR Team in every Plant and warehouse across the regions responsible for ensuring that the company complies with local legislations where the business operates.

Because we belong to labor-intensive manufacturing sector, generally there are more men than women. Though the company is open to any gender during the hiring process, the majority of our applicants in sales and production are male which resulted in a higher percentage of male employees.

We are committed to fulfilling equal opportunity in the workplace. The company ensures that our people are placed in the positions that best suit their abilities. We strive to maintain a pool of highly competent professionals equipped with the set of competencies to effectively carry out the latest job requirements. We support our employees in developing their knowledge and skills through training and development programs. Some of the technical trainings participated by employees in 2023 are in the fields of Sales, Marketing, Quality Management, Pollution Control, Environmental Management, Occupational Health and Safety, Food Safety, Customer Service, Fire



Prevention, Data Privacy First Aid, and Basic Life Saving. The Group accumulated a total of 136 training hours

The company strives to continuously increase the

motivation, engagement, and further development of its employees through performance discussion which takes place twice a year.



## Governance

Good governance is essential for promoting accountability, ethical behavior, stakeholder protection, risk management, performance enhancement, regulatory compliance, stakeholder confidence, long-term sustainability, and social responsibility. Hence it is of paramount importance for our business operations.

At Macay, we are determined on our commitment to high standards of corporate governance, in alignment with our Code of Business Conduct and external regulations. Additionally, the company strives to excel in sustainability and risk management by placing a strong emphasis on supply chain resilience.

We continue to actively collaborate with our business partners and suppliers to generate positive economic, environmental, and social impacts. We operate our business with integrity, accountability, and fairness to gain the trust of all our stakeholders.

### Business built on discipline and integrity

The Code of Conduct and Discipline prescribes the Company's corporate principles and philosophy of good governance by defining the standards of proper conduct and behavior of its employees in order to sustain and promote the highest level of integrity and professionalism in its business dealings and relationships.

Discipline as an integral component of the code ensures that company rules and regulations are observed. A strong culture of discipline and responsibility towards one's actions drives the company into achieving its vision.

Our parent company, Macay Holdings has outlined policies and programs to help its directors, employees and stakeholders perform their duties and responsibilities in a manner that is mutually beneficial.

### Insider trading policy

Fair market thrives when transparency and accountability are practiced. As such, trading behaviors that may result into information distortion

and unfair market advantage are prohibited, an example would be insider trading.

Insider trading is governed by best corporate governance practice. All officers, directors and employees of the Company are obliged to maintain confidentiality of material non-public information about Macay Holdings and its securities. For the purpose of legitimate business programs, sharing of material non-public information will be allowed through non-disclosure agreements between parties involved.



## Related Party Transactions

Related Party Transactions (RPT) are indispensable especially on the day-to-day operations for some entities. To avoid any conflict of interest, all RPTs are regularly reviewed, approved and disclosed.

## Employee Health, Safety, Welfare and Development

The Macay Group believes that human resources is its best asset. Thus, the Company ensures the well-being of its employees by adopting programs and policies for their welfare and development.

## Conflict of Interest

Conflict of interest stems from situations when an individual's objectivity is compromised or decisions are unduly influenced because of a desire to gain from a

particular transaction or relationship. When a conflict of interest occurs, proper disclosure should be exercised.

## Enterprise-wide Risk Management

We recognizes risks and uncertainties are part of doing business. To mitigate any adverse effects of such occurrence, the company particularly through its audit committee adopt risk management strategies where external threats and internal weaknesses of the Group have been identified, analyzed and evaluated. Risks posed by such external and internal factors are properly addressed.

## Whistle Blowing Policy

This Whistleblower Policy of the Company provides guidelines on how to report any possible violation of a law, rule, or

regulation or unethical or fraudulent conduct and outlines process to protect Whistleblowers from retaliation and retribution.

## Disclosure and Transparency

The essence of corporate governance is transparency. The Board of Macay Holdings ensures timely and accurate filing of full disclosures and material information dealings to all relevant regulatory bodies. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.

**The Manual on Corporate Governance asserts the rights of stockholders and protection of minority interests.**

## Voting Rights

Shareholders have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.

## Power of Inspection

All shareholders are allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

## Right to Information

The shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings with the Corporation's shares, dealings with the Corporation, relationship among directors and key officers, and the aggregate compensation of directors and officers.

## Appraisal Right

The shareholders have appraisal right or the right to dissent and demand payment of the fair value of their shares under the provisions outlined in the Corporation Code of the Philippines.

## Leadership

Macay Holdings' Board of Directors thrives on top-notch leadership and combined business and marketing expertise that proved a key driver in their brand's success.

Macay's Board of Director is responsible in providing salient policies and guidelines to the Group on major investments and capital expenditures as well as to establish programs that can sustain long-term

viability and strength. Moreover, the Board evaluates and monitors the implementation of such policies and strategies, including the business plans, operational budgets and Management's overall performance.





## How We Collaborate

**Macay Group recognizes the importance of collaborative action to build a more sustainable, equitable, and resilient future for all.**



The Macay Group was able to create a collaborative platform, projects, and activities that have a substantial impact on society. Our objective is to contribute to the creation of a sustainable community and to establish partnership networks that will enable a collaborative development effort between the government, private sector, academic sector, civil society, and the public.

## Partnership for the same goal



In 2023, ARC partnered with PARMS - Philippine Alliance for Recycling and Material Sustainability.

PARMS is a pioneering nonprofit organization established in 2014 dedicated to driving sustainable waste management practices through the collaboration of stakeholders across the supply and waste value chains, promoting recycling, and advancing the development of a circular economy in the Philippines. With a vision of creating a greener, cleaner, and more sustainable future, PARMS

actively collaborates with various stakeholders, both private and public sector to bring about positive change, to address waste management and create systemic solutions towards Marine Litter Prevention and Circular Economy.

PARMS is also a PRO - Producer Responsibility Organization. They have a program that is designed to drive the implementation of Extended Producer Responsibility (EPR) by

fostering collaboration between producers, manufacturers, importers, waste diverters, and regulatory bodies. They provides guidance, resources, and support to help businesses transition to more sustainable practices and make a positive impact on the circular economy.

Currently, PARMS stands as the PRO of ARC that helps the company comply with the EPR law aligned with the directive of DENR.



*On March 2023, Kitchen City donated almost 300 kgs of empty PET bottles to ARCA South which was used to manufacture ecobricks for Ayala Foundation's community projects*



### Partnership for the community

In 2023, ARC together with other FMCG companies in the country, partnered with Bayan ni Juan Movement pH, a non-government organization (NGO) in helping our kababayans who are in need through different donations and feeding programs in underserved communities and families at different parts of Metro Manila.





# Contribution to United Nations Sustainable Development Goals (UN SDG)



**SDG No. 1 - No Poverty**  
Provided jobs to 4,166 Filipinos nationwide, 1,125 of which are new hires



**SDG 5 Gender Equality**  
• For Kitchen City, 59 % holding managerial positions are female which is 2 % higher than 2022 data.  
• 3 out 5 Vice Presidents are female



**SDG 10 Reduced Inequalities**  
• 100% of employees received minimum or above the minimum wage  
• LGBT community is respected and fully recognized through inclusion programs in all company events as well as with cafeteria operations and marketing promos celebrating gender diversity.  
• Kitchen City also currently employs five (5) staff with hearing and speaking disability.



**SDG No. 2 - Zero Hunger:**  
Support provided to the "Bida and Pamilyang Pilipino" program of Bayan ni Juan Movement PH for donation drive and feeding program for underserved communities in Metro Manila



**SDG 7 Affordable & Clean Energy**  
1,446.82 MWh of renewable energy was generated in 2 ARC plants



**SDG 3: Good Health & Well-being:**  
• All employees of ARC are provided with health insurance benefits.  
• All employees undergo annual physical examination and free drug screening for ARC employees  
• Dental mission was done by Kitchen City in partnership with Rotary Club



**SDG 8: Decent Work & Economic Growth**  
• Mandatory 8-hours OSH training for workers was conducted nationwide.  
• Intensified Road safety programs thru trainings.



**SDG 12 Responsible Consumption & Production**  
• Zero waste to landfill is being practice in the production area of all ARC plants.  
• All wastes generated in the plants may it be solid or hazardous wastes are collected and disposed by DENR accredited haulers



# GRI Content Index

<b>Statement of use</b>	Macay Holdings Inc. has reported in accordance with the GRI Standards for the period January 2023 to December 2023
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	N/A

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (pg no.)	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>General disclosures</b>						
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	2				
	2-2 Entities included in the organization's sustainability reporting	6				
	2-3 Reporting period, frequency and contact point	6				
	2-4 Restatements of information	There are no restatements				
	2-5 External assurance	This report is not externally assured				
	2-6 Activities, value chain and other business relationships	3, 10-13,17				
	2-7 Employees	30				
	2-8 Workers who are not employees					
	2-9 Governance structure and composition	5				
	2-10 Nomination and selection of the highest governance body	37				
	2-11 Chair of the highest governance body	5				
	2-12 Role of the highest governance body in overseeing the management of impacts	38				
	2-13 Delegation of responsibility for managing impacts	38				
	2-14 Role of the highest governance body in sustainability reporting	38				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (pg no.)	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>General disclosures</b>						
<b>GRI 2: General Disclosures 2021</b>	2-15 Conflicts of interest	38				
	2-16 Communication of critical concerns	37-39				
	2-17 Collective knowledge of the highest governance body	37-39				
	2-18 Evaluation of the performance of the highest governance body	37-39				
	2-22 Statement on sustainable development strategy	7-9				
	2-23 Policy commitments	37-39				
	2-24 Embedding policy commitments	37-39				
	2-25 Processes to remediate negative impacts	22-26				
	2-26 Mechanisms for seeking advice and raising concerns	37-39				
	2-27 Compliance with laws and regulations	14, 16, 25-26, 33-35				
	2-29 Approach to stakeholder engagement	8				
	2-30 Collective bargaining agreements	there are no collective bargaining agreements				
	<b>Material Topics</b>					
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	7-8				
	3-2 List of material topics	8				
<b>Market Presence</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	9				
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	35				
	202-2 Proportion of senior management hired from the local community	34				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (pg no.)	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>Procurement Practices</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	19				
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	19				
<b>Anti-corruption</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	37-39				
<b>GRI 205: Anti-corruption 2016</b>	205-3 Confirmed incidents of corruption and actions taken	There were no incidents of corruption in the organization				
<b>Anti-competitive behavior</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	37-39				
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	37-39				
<b>Materials</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	27				
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	27				
	301-2 Recycled input materials used	27				
	301-3 Reclaimed products and their packaging materials	27				
<b>Energy</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	22-24				
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	24				
	302-3 Energy intensity	24				
	302-4 Reduction of energy consumption	23-24				
	302-5 Reductions in energy requirements of products and services	23-24				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (pg no.)	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>Water and effluents</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	25				
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	25				
	303-2 Management of water discharge-related impacts	25				
	303-3 Water withdrawal	25				
	303-4 Water discharge	25				
	303-5 Water consumption	25				
<b>Emissions</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	23-24				
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	23				
	305-2 Energy indirect (Scope 2) GHG emissions	23				
	305-4 GHG emissions intensity	23				
	305-5 Reduction of GHG emissions	23				
<b>Waste</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	26				
<b>GRI 306: Waste 2020</b>	306-1 Waste generation and significant waste-related impacts	26				
	306-2 Management of significant waste-related impacts	26				
	306-3 Waste generated	26				
	306-4 Waste diverted from disposal	26				
	306-5 Waste directed to disposal	26				
<b>Employment</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	20-36				
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	31				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (pg no.)	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>GRI 401: Employment 2016</b>	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	35				
	401-3 Parental leave	35				
<b>Labor/management relations</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	35				
<b>GRI 402: Labor/Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	35-36				
<b>Occupational health and safety</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	33				
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	33				
	403-2 Hazard identification, risk assessment, and incident investigation	33				
	403-3 Occupational health services	33				
	403-4 Worker participation, consultation, and communication on occupational health and safety	33				
	403-5 Worker training on occupational health and safety	33				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	33				
	403-8 Workers covered by an occupational health and safety management system	33				
<b>Training and education</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	33				

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (pg no.)	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	33				
	404-2 Programs for upgrading employee skills and transition assistance programs	33				
	404-3 Percentage of employees receiving regular performance and career development reviews	36				
<b>Diversity and equal opportunity</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	34				
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	31-32, 34				
<b>Non-discrimination</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	34				
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	There are no reported incident				
<b>Freedom of association and collective bargaining</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	n/a				
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	ARC does not have CBA				
<b>Forced or compulsory labor</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	30-36				
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	30-36				



GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION (pg no.)	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
<b>Security practices</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	33				
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	33				
<b>Local communities</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	40				
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	40-42				
	413-2 Operations with significant actual and potential negative impacts on local communities	18-27				
<b>Customer health and safety</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	29				
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	29				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	29				
<b>Marketing and Labeling</b>						
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	16,28				
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	16				
	417-2 Incidents of non-compliance concerning product and service information and labeling	16				
	417-3 Incidents of non-compliance concerning marketing communications	16				





Macay Holdings, Inc.  
Sustainability Report 2023