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for

AUDITED FINANCIAL STATEMENTS

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City, Metro Manila

NOTE 1: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.
 2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

1.	For the fiscal year ended	.31 December 2020
2.	SEC Identification Number	A200201756
3.	BIR Tax Identification No.	216-303-212-000
4.	Exact name of issuer as specified in its charter	
	ROBINSONS RETAIL HOLDINGS, INC.	
5.	Pasig City, Philippines Province, Country or other jurisdiction of incorporation or organization	6. (SEC Use Only) Industry Classification Code:
7.	43rd Floor, Robinsons Equitable Tower, ADB Avenue corner Poveda Sts., Ortigas Center, Pasig City Metro Manila Address of principal office	1600 Postal Code
8.	(632) 635-07-51 Issuer's telephone number, including area code	
9.	Not Applicable. Former name, former address, and former fiscal ye	
10.	Securities registered pursuant to Sections 8 and 12	of the SRC, or Sec. 4 and 8 of the RSA
	Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
	Common shares	1,563,460,430
11.	Are any or all of these securities listed on a Stock	Exchange.

Yes [/] No []

If yes, state the name of such stock exchange and the classes of securities listed therein: **PHILIPPINE STOCK EXCHANGE - COMMON SHARE**

12. Check whether the issuer:

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

Yes [/] No []

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

Yes [/] No []

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

Shares Held by Non- Affiliates as of December 31, 2020	Market Value per Share as of February 28, 2021	Total Market Value
842,785,225	56.55	₽47,659,504,474

DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) Any annual report to security holders;
- (b) Any information statement filed pursuant to SRC Rule 20;
- (c) Any prospectus filed pursuant to SRC Rule 8.1.

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

(A) Business Development

Robinsons Retail Holdings, Inc. was incorporated on February 4, 2002. The primary purpose of the Company and its subsidiaries is to engage in the business of trading goods, commodities and merchandise of any kind. The Company was listed at the Philippine Stock Exchange on November 11, 2013.

Robinsons Retail Holdings, Inc. (RRHI) is one of the leading multi-format retail groups in the Philippines. With 40 years of retail experience, it possesses a deep understanding of Philippine consumers and enjoys market leading positions across its major business segments. Since the opening of its first Robinsons Department Store in Metro Manila in 1980, RRHI has successfully expanded into five business segments, entering into the supermarket business in 1985, the Do-It-Yourself (DIY) business in 1994, the convenience store and specialty store businesses in 2000, and the drugstore business in 2012. It also launched Robinsons Townville, a chain of community malls in 2015, which are located in residential areas to bring its products closer and its services more convenient to its customers.

RRHI operates one of the broadest ranges of retail formats of any retail group in the Philippines and, accordingly, is well-positioned to capture emerging consumer markets and take advantage of the continuing macroeconomic growth in the Philippines, particularly the increase in disposable income and higher consumption of the broad middle-income segment, its key target market.

RRHI operates its supermarkets, department stores, consumer electronics and appliances stores, big box hardware stores, and community malls under the Robinsons brand, namely Robinsons Supermarket, Robinsons Easymart, Robinsons Department Store, Robinsons Appliances, Robinsons Builders, and Robinsons Townville.

The company's other store formats are under well-known international brands, namely Handyman Do it Best, True Value, Toys "R" Us, Ministop, Daiso Japan; , Pet Lovers Centre and No Brand, and beauty brands Benefit, Shiseido, and Elizabeth Arden.. RRHI also operates trusted domestic brands, such as Savers Appliances, Southstar Drug, Rose Pharmacy and TGP (The Generics Pharmacy) and mass merchandise store Super50.

In 2017, the Group included beauty brand Elizabeth Arden into its portfolio. In December of the same year, RRHI acquired 20% minority stake in Taste Central Curators, Inc., which owns and manages Beauty MNL, a Philippine market leader in beauty e-commerce. In 2019, the Company increased its stake to 30% in Taste Central Curators, Inc.

In 2018, the Company acquired 100% of Rustan Supercenters, Inc., the grocery retail operator of stores under Rustan's Supermarket, The Marketplace, Shopwise, Shopwise Express, and Wellcome, from Mulgrave Corporation B.V (MCBV), a wholly-owned subsidiary of Dairy Farm International Holdings, Ltd. It also engaged in a franchise license agreement with Singapore-based Pet Lovers Centre in its foray into pet retail. Adding to its investments in technology, the Company, through a subsidiary, also invested in Growsari, an online platform that caters to sari-sari store owners.

In 2019, RRHI was appointed exclusive franchisee for Korean grocery store No Brand and skincare Scentence of E-Mart in South Korea. RRHI also opened Super50 in the same year, a one-price concept store, in partnership with Pesotree.

In 2020, RRHI, through its subsidiary, SSDI acquired 100% of Rose Pharmacy, Inc. which operates over 300 stores strategically located in Visayas and Mindanao.

The Company launched the Robinsons Rewards Loyalty program in May 2013. The loyalty program allows members to collect and redeem points across the Robinsons formats, is intended to increase customer loyalty and also to enhance the Company's brand image through a physical card, and a mobile app launched in 2019. Robinsons Rewards enables the Company to gather data on customer profiles in terms of their demographics, purchasing patterns, and product preferences through data analytics, all the while safeguarding consumer data and privacy. Starting January 1, 2020, the management and operation of the loyalty programme has been transferred to DAVI, a related party.

A number of the company's formats also engage in e-commerce through partnerships with major third-party e-commerce players. The following formats are present in Lazada: Robinsons Appliances and Savers Appliances (2015), Handyman Do it Best and True Value (2017), Robinsons Department Store and Toys 'R' Us (2018), and Pet Lovers Centre (2020). In addition, the following formats are present in Metromart: Robinsons Supermarket (2018), Southstar Drug, The Marketplace, and Shopwise (2019), and No Brand and Pet Lovers Centre (2020).

Other partners include Shopee for Robinsons Appliances (2018), Daiso Japan (2019), and Toys 'R' Us (2020). Robinsons Supermarket is also present in GrabMart and Pickaroo, in from 2019 and 2020, respectively. Lastly, Ministop partnered with GrabFood in 2019.

In 2020, RRHI accelerated its ecommerce initiatives by launching its own ecommerce sites, namely gorobinsons.ph, southstardrug.com.ph and robinsonsappliances.com.ph. Go Robinsons currently houses grocery items from Robinsons Supermarket with more banners being added on the platform to provide more convenience, ease and product diversity to customers.

The Company has not been into any bankruptcy, receivership or similar proceedings since its incorporation.

Acquisitions by RRHI's subsidiaries

On November 23, 2018, RRHI acquired 100% stake in Rustan Supercenters, Inc., operator of food retail banners The Marketplace, Rustan's Supermarket, Shopwise (hypermarket), Shopwise Express, and Wellcome.

On February 27, 2018, RI and Pesotree incorporated Super50, a company engaged in the business of retail and wholesale goods with paid-up capital amounting to P30.0 million. RI's ownership interest in Super50 is 51.0%.

On February 22, 2018, RHMI incorporated RLSI, with a total subscription amounting to P62.50 million, of which, P50.00 million was paid. RLSI is primarily engaged in the business of trading goods, commodities and merchandise of any kind.

On October 16, 2020, RRHI, through its subsidiary South Star Drug, Inc., acquired 100% stake in Rose Pharmacy, Inc., a leading drugstore chain in Visayas and Mindanao, from Mulgrave Corporation B.V (MCBV), a wholly-owned subsidiary of Dairy Farm International Holdings, Ltd.

	For the y	years ended Decem	ber 31
	2018	2019	2020
Supermarket	47.0%	54.3%	62.3%
Department store	13.4%	11.1%	5.6%
DIY Store	10.5%	8.8%	7.5%
Convenience store	4.7%	4.1%	3.2%
Drug store	11.9%	10.9%	12.6%
Specialty segment	12.5%	10.8%	8.8%

The percentage contribution to the Company's revenues for each of the three years ended December 2018, 2019, and 2020 by each of the Company's business segments after elimination are as follows:

The Company ended 2020 with 2,157 stores with total gross floor area of 1.48 million square meters.

(B) Business of Issuer

The industry segments where the Company and its subsidiaries and affiliates operate are summarized below:



*Represent notes with conversion rights

(a) Description of the Registrant

- (i) **Principal Products and Services.** The Company's core retail operations has six business segments supermarkets, department stores, DIY stores, convenience stores, drug stores and specialty stores:
- Supermarkets. Targeting the broad middle-income market, the supermarkets are operated under the Robinsons Supermarket brand name, The Marketplace, Showpise and Easymart. Robinsons Supermarket Corporation (RSC) is the first major supermarket chain in the Philippines specifically positioned with a focus on health and wellness, which is the key point of differentiation from competitors. RSC actively encourages consumers to adopt a healthy lifestyle by providing a wide range of high quality health and wellness products. Such products are given a specifically allocated section within each of the supermarket stores and are made highly visible to customers. RSC uses nutritional labels to highlight the nutritional values of such products, which are consistent with the standards of the Food and Nutrition Research Institute of the Philippines ("FNRI"). The FNRI evaluates and accredits the nutritional contents of all RSC's food products following the internationally-accepted CODEX Standards of Nutrition Classification. All healthy products are promoted in the stores and gondolas through the Green Shelf Tag labeling system. RSC's unique focus on providing health and wellness products will enable it to benefit from the trend towards healthier foods and lifestyles. Furthermore, it partners with the Best Fresh suppliers with proven expertise, resources and nationwide retail capability to ensure a consistent supply of high quality and nutritional fresh food products at affordable prices.

Robinsons Supermarket currently has five private label brands, namely Robinsons Supersavers, Breeder's Choice Dog Food, Nature's Pure, Healthy You, and Butcher's Choice which carry a range of products from both local and foreign manufacturers.

On the other hand, The Marketplace serves the upscale grocery retail market, offering both imported and locally-sourced premium products, while Shopwise operates as a hypermarket with a wide assortment of food and non-food items. Both banners feature the private label Sure Buy and exclusive category brands from Dairy Farm International, such as Meadows, Southdale Farm, Simply Living, French Cellars, Winemakers Reserve, among others.

- *Department Stores.* The department stores are operated under the Robinsons Department Store (RDS) brand name and offer a large selection of both local and international branded products that are grouped into five categories: (i) toys, children's apparel and accessories, (ii) homes, snacks and stationery; (iii) shoes, bags, luggage and sportswear, (iv) ladies' apparel and accessories, beauty and intimate apparel; and (v) men's apparel, accessories and furnishings. RDS is focused on catering to middle-income customers and approximately 87.6% of Robinsons Department Stores' sales for 2020 are on consignment basis.
- *DIY Stores*. The DIY stores are operated under the brand names Handyman Do it Best and True Value, of which the Companies are cooperative member-retailers in the Philippines from these US DIY brands and the big box formats under Robinsons Builders (rebranded from A.M. Builders' Depot) and De Oro Pacific Home Plus, which were acquired in 2014 and 2016, respectively. Each brand has its own specialized positioning, with Handyman Do it Best focused on affordable, high quality DIY and home improvement products; True Value positioned as an up market lifestyle home center; and Robinsons Builders/Home Plus focused on home builders. In 2020, around 55.8% of DIY store segment revenue was derived from sales of consigned merchandise.

- *Convenience Stores.* The Company is the exclusive Philippine master franchisee of Ministop Japan. Ministop began operations in the Philippines in 2000 and is a franchise of Ministop Co. Ltd., one of the largest convenience store chains in Japan. Revenue is generated through selling of merchandise to franchisees. Ministop's key strength is its ability to provide fresh and ready-to-eat food for its customers.
- *Drug stores.* In July 2012, wholly-owned subsidiaries of RRHI RSC and Robinsons Inc. (now merged in RSC) each acquired a 45% interest in South Star Drug, Inc.(SSDI). The acquisition represents a 90% interest on the shares of stock of SSDI. South Star Drug carries a wide range of prescription and over-the-counter pharmaceutical products together with a range of food, personal care and other products. On May 17, 2016, SSDI acquired 51.00% of TGP Pharma, Inc. On October 16, 2020, SSDI acquired 100% of Rose Pharmacy, Inc.
- Specialty Stores. Currently, the Company operates eight formats of specialty stores, namely:

 toys and juvenile products retail under Toys "R" Us; 2) consumer electronics and appliances stores operated under Robinsons Appliances and Savers Appliance Depot 3) beauty brands Shiseido, Benefit, Elizabeth Arden; 4) mass merchandise stores under Daiso Japan and Super50 6) pet retail under Pet Lovers Centre; and 7) Korean hard discount store No Brand.

In February 2020, RRHI divested its stake in Chic Centre Corporation, distributor of nail products and slush beverages. As of end 2020, the Company also ceased operations of the majority of its stores under international fashion retail brands Topshop, Topman, Dorothy Perkins, Warehouse, and Burton Menswear London, after its principals entered into Administration (Chapter 11).

- The Company, as of end of 2020 has 2,157 stores, consisting of 264 supermarkets, 49 department stores, 225 DIY stores, 472 convenience stores, 829 drug stores and 318 specialty stores. This excludes 2,025 TGP franchised stores. Of the total stores, 457 of these stores are located in Metro Manila, another 1,059 located in Luzon (outside Metro Manila) and with the balance situated in the Visayas and Mindanao regions.
 - (ii) **Significant Subsidiaries.** As of December 31, 2020, Robinsons Retail Holdings, Inc. (RRHI) has nine wholly-owned subsidiaries and eighteen partly-owned subsidiaries in which RRHI's ownership allows it to exercise control, all of which are consolidated with the Group's financial statements.

Key details of each of RRHI's subsidiary companies are set forth below.

- 1. *Robinson's Supermarket Corporation.* Robinson's Supermarket Corporation (RSC) was incorporated in the Philippines and registered with the SEC on August 21, 1990. RSC is 100% owned by RRHI. RSC's principal business is to engage in the business of buying, selling, distributing and marketing at wholesale and retail.
- 2. *Robinson's Handyman, Inc.* Robinson's Handyman, Inc. (RHMI) was incorporated in the Philippines and registered with the SEC on June 15, 1994 primarily to engage in the business of trading goods, commodities and merchandise of any kind. RHMI is 80% owned by RSC.

- 3. *Robinsons True Serve Hardware Philippines, Inc.* Robinsons True Serve Hardware Philippines, Inc. (RTSHPI) was incorporated in the Philippines and registered with the SEC on February 19, 2007, primarily to engage in general hardware business, both retail and wholesale. The Company started commercial operations on March 1, 2007. RTSHPI is 66.67% owned by RHMI.
- 4. *Waltermart-Handyman, Inc.* Waltermart-Handyman, Inc. (WHI) was incorporated in the Philippines and registered with the SEC on July 15, 1996 primarily to engage in the business of trading goods, commodities and merchandise of any kind. WHI is 65% owned by RHMI.
- 5. *Handyman Express Mart, Inc.* Handyman Express Mart, Inc. (HEMI) was incorporated in the Philippines and registered with the SEC on April 13, 2000. The Company is engaged in the business of trading goods, commodities and merchandise of any kind. HEMI is 65% owned by RHMI.
- 6. *RHI Builders and Contractors Depot Corp.* RHI Builders and Contractors Depot Corp. (RHIB) was incorporated in the Philippines and registered with the SEC on May 7, 2014. The Company is engaged in the business of trading goods, commodities and merchandise of any kind. RHIB is 67% owned by RHMI.
- 7. *Homeplus Trading Depot, Inc.* was incorporated in the Philippines and registered with the SEC on May 4, 2016. The Company is engaged in the business of trading goods, commodities and merchandise of any kind. HPTDI is 75% owned by RHIB.
- 8. *Robinsons Appliances Corp.* Robinsons Appliances Corp. (RAC) was registered with the SEC on August 21, 2000. RAC's principal business is to engage in the business of trading goods such as appliances on wholesale or retail basis. RAC is 67% owned by RSC.
- 9. Robinsons Convenience Stores, Inc. Robinsons Convenience Stores, Inc. (RCSI) was registered with the SEC on March 15, 2000. Its primary purpose is to engage in the business of acquiring and granting licenses and/or rights to proprietary marks, trademarks, trade names, patents, copyrights, know-how, technology, processes, methods, techniques, devises, systems and the like. The Company is also engaged in the business of trading of goods, such as food and non-food, on a wholesale basis. RCSI is 59.05% owned by RI.
- 10. *South Star Drug, Inc.* South Star Drug, Inc (SSD) is a trading company incorporated and registered with the SEC on November 24, 2003. Its primary purpose is to carry on the business of pharmacy, selling all kinds of drugs, medicines, medical equipments, and all other items. SSDI is 45% owned by RI and 45% owned by RSC.
- 11. *Rose Pharmacy, Inc.* Rose Pharmacy Inc. (RPI) was incorporated and registered with the SEC on December 13, 1974 primarily to engage in the business of trading medical and pharmaceutical goods, on either wholesale or retail basis. RPI is 100% owned by RRHI through its subsidiary SSDI.

- 12. *TGP Pharma, Inc.* TGP Pharma, Inc. (TGPI) was incorporated and registered with the SEC on September 15, 2010. TGPI is 51% owned by RRHI through its subsidiary South Star Drug, Inc. TGPI's principal business is to engage in the trading of goods such as pharmaceutical products, food supplements, cosmetics and general merchandise on wholesale or retail basis.
- 13. *The Generics Pharmacy Inc.* The Generics Pharmacy Inc. (TPI) was incorporated and registered with the SEC on February 27, 2007. The Company is 100% owned by TGP Pharma Inc. TPI's principal business is to engage in the trading goods such as pharmaceutical products, food supplements, cosmetics and general merchandise on wholesale or retail basis.
- 14. *Everyday Convenience Stores, Inc.* Everyday Convenience Stores, Inc. (ECSI), wholly owned by RRHI and was incorporated in the Philippines and registered with the SEC on August 8, 2000. Its primary purpose is to engage in the business of trading goods, commodities and merchandise of any kind.
- 15. *Robinsons Daiso Diversified Corp.* Robinsons Daiso Diversified Corp. (RDDC) is a domestic corporation organized under the laws of the Philippines to engage in the business of retail and wholesale of goods. The Company was incorporated and registered with the SEC on July 16, 2008. The Company started commercial operations on April 29, 2009. RDDC is 90% owned by RRHI.
- 16. *RHD Daiso-Saizen, Inc.* RHD Daiso-Saizen, Inc. (RHDDS) was organized and registered with the SEC on November 29, 2011. The primary purpose of the Company is to engage in the business of trading of goods such as food and non-food on wholesale basis and acquiring and franchising licenses, and/or rights to propriety marks. RHDDS is 59.40% owned by RRHI.
- 17. **Robinsons Ventures Corporation.** Robinsons Ventures Corporation was incorporated and registered with the SEC on August 5, 1996 to engage in the business of trading goods, commodities wares and merchandise of any kind and description. The Company is a majority owned subsidiary of Robinsons Supermarket Corporation.
- 18. *RHMI Management and Consulting, Inc.* RHMI Management and Consulting, Inc. was incorporated on May 27, 2013. Its primary purpose is to provide client companies, individuals, businesses or organizations, professional management advise and subject matter expertise in areas of finance, taxation, information technology, human capital, procurement, supply chain and others except management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI. As of December 31, 2020, The Company has not yet started commercial operations.

- 19. *RRHI Management and Consulting, Inc.* RRHI Management and Consulting, Inc. was incorporated on May 27, 2013. Its primary purpose is to provide client companies, individuals, businesses or organizations, professional management advise and subject matter expertise in areas of finance, taxation, information technology, human capital, procurement, supply chain and others except management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI. As of December 31, 2020, the Company has not yet started commercial operations.
- 20. *RRG Trademarks and Private Labels, Inc.* RRG Trademarks and Private Labels, Inc. was incorporated on May 23, 2013. Its primary purpose is to engage in the management and franchise of trademarks, brands and labels in the retail sector, provided, it shall not engage in the management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI. As of December 31, 2020, the Company has not yet started commercial operations.
- 21. *RRHI Trademarks Management, Inc.* RRHI Trademarks Management, Inc. was incorporated on May 23, 2013. Its primary purpose is to engage in the management and franchise of trademarks, brands and labels in the retail sector, provided, it shall not engage in the management of funds, securities, portfolios, and other similar assets of the managed company or entities. The Company is wholly owned by RRHI.
- 22. *Savers Electronic World, Inc.* Savers Electronic World, Inc. (SEWI), was incorporated and registered with the SEC on March 4, 2015. Its primary purpose is to engage in the business of trading goods such as appliances on wholesale or retail basis. Its primary competence is institutional sales. SEWI is 90% owned by RI.
- 23. *New Day Ventures Limited.* The Parent Company acquired New Day Ventures Limited to engage in business of investment holding.
- 24. *Robinsons Lifestyle Stores, Inc.* Robinsons Lifestyle Stores, Inc. (RLSI) was incorporated and registered with the SEC on February 22 ,2018. Its primary purpose is to engage in the business and wholesale of goods. RLSI is 100% owned by RHMI.
- 25. *Super50 Corporation.* Super50 Corporation was incorporated and registered with the SEC on March 23 ,2018. Its primary purpose is to engage in the business and wholesale of goods. Super 50 is 51% owned by RI.
- 26. *Jose M. Barreto, Sr. Holdings Corporation* The company was incorporated and registered with the SEC on January 19, 2005. Its primary purpose is to acquire, hold, sell, exchange, deal and invest in stocks, bonds, securities and in real and personal properties of all kinds. It is 100% owned by RSC.

- (iii) Foreign Sales. The Company has no record of foreign sales as it is not exporting any of its merchandise abroad.
- (iv) **Distribution Methods.** The Company relies significantly on distributors, thirdparty service providers and the distribution networks of its multinational suppliers for transportation, warehousing and the delivery of products to its stores. The majority of its merchandise is delivered to the distribution centers by its suppliers and from the distribution centers to its stores by third-party service providers.

The Company manages a strong and efficient supply chain that features just-in-time delivery. Many of its distribution centers employ a cross-docking system, where all non-perishable goods received from suppliers are sorted, consolidated and dispatched to the stores in Metro Manila within one to five days, and within three to ten days of their receipt in Visayas and Mindanao, depending on the business segment. This reduces stocking requirements and permits the faster delivery of products.

Some of its business segments, such as the supermarket, DIY and specialty stores (particularly toys and juvenile products), also employ a stock operation system equipped to handle high turnover and bulk items. For example, the supermarket segment implements a stock operation system for all top-tier vendors. An average of two weeks inventory of goods is ordered to be stocked and stored in the warehouse.

Distribution planners make daily plans for replenishment and delivery of the goods to stores to ensure that stores do not run out of the key items supplied by the toptier vendors. With the stock operation system, the distribution centers are able to supply the stores regularly with top-selling SKUs with expediency at low inventory carrying cost.

The Company engages third-party service providers to provide trucking and shipping services to ensure timely delivery of merchandise from distribution centers to stores across the Philippines. Some suppliers also deliver products directly to the stores.

To operate its large-scale business efficiently and effectively, its operations are supported by advanced information technology systems. Its world-class management information systems include a merchandise management system from JDA Software Group Inc., and an advanced ARC merchandise analytics solutions system from Manthan Systems, Pvt. Ltd. These systems allow the Company to analyze and optimize merchandise performance, make proactive decisions on its day-to-day operations and provide the ability to quickly and efficiently respond to changes in customer trends.

The Company uses warehouse management systems to ensure on-time delivery and sufficient stock in stores, thus optimizing inventory levels across its distribution centers and store network. Further, the Company utilizes financial and asset management systems from SAP AG.

The Company also deploys a POS and Loyalty system from the National Cash Register Corporation (NCR), and has a sophisticated supplier portal system that allows them to collaborate with its suppliers. Through this system, suppliers may have access to its database providing them with the ability to manage their own inventory, ensure high service levels and facilitate more targeted marketing activities.

(v) New Products and Services. In May 2013, the Company introduced the Robinsons Rewards Card, a loyalty card that allows holders to redeem accrued points across its retail formats. As of the end of 2020, Robinsons Rewards Cards was already accepted in most of the Company's formats except Savers Appliances, and TGP. The Robinsons Rewards loyalty program is a powerful tool to increase customer retention across all formats and was launched as a mobile app platform in 2018. Starting January 1, 2020, the management and operation of the loyalty programme has been transferred to DAVI, a related party.

In 2018, RRHI signed franchise license agreement with Pet Lovers Centre Ltd for the retailing of pet products and services.. It also entered a joint venture to launch mass merchandise store Super50.

In 2019, RRHI, through a subsidiary, signed franchise license agreement with EMart of Korea to operate stand-alone hard discount store No Brand and skin care store Scentence inside Robinsons Department Store – Beauty Section.

In 2020, RRHI, through a subsidiary, acquired Rose Pharmacy, Inc., a leading drugstore chain in Visayas and Mindanao, from Mulgrave Corporation B.V (MCBV), a wholly-owned subsidiary of Dairy Farm International Holdings, Ltd.

- (vi) Competition. The Company competes principally with national and international operators retail chains in the Philippines, such as SM Investments, Puregold Price Club Inc., Metro Retail Stores Group, Ace Hardware, Mercury Drug Corporation, and 7-Eleven, among others. Each of these competitors competes with the Company on the basis of product selection, product quality, acquisition or development of new brands, customer service, price, store location, presence in e-commerce space, or a combination of these factors.
 - Supermarkets. The Philippine food retail market has become increasingly competitive in recent years. Robinsons Supermarket primarily competes with modern retail operators, including hypermarkets, supermarkets, convenience stores and local grocery stores, on the basis of location, store ambiance, presentation, price, supply chain and additional benefits such as loyalty programs. Main competitors as of 2020 are SM Retail, Puregold Price Club and Metro Retail Stores Group. Similar to Robinsons Supermarket, these retail chains have an established presence in the Philippines and continue to open supermarkets in the same cities, and often in the same neighborhoods where the Company has opened or intend to open its supermarkets. Combined with RSCI, RRHI's position as the third largest grocery retail player is enhanced and offers new prospects for synergies.

Robinsons Supermarket currently has five private label brands, namely Robinsons, Breeder's Choice Dog Food, Nature's Pure, Healthy You, and Butcher's Choice which carry a range of products from both local and foreign manufacturers. On the other hand, The Marketplace serves the upscale grocery retail market, offering both imported and locally-sourced premium products, while Shopwise operates as a hypermarket with a wide assortment of food and non-food items. Both banners feature the private label Surebuy and exclusive category brands from Dairy Farm International, such as Meadows, Papa Alfredo, Simply Living, French Cellars, Winemakers Reserve, among others.

- *Department stores.* The Philippines' department stores industry is dominated by a few operators. RDS competes with major department store operators such as SM Retail, Metro Retail Stores Group, Landmark and Rustan's on the basis of location, brand recognition, store image, presentation, price, understanding of fashion trends and market demand and value-added customer services. Each of the competing department store chains has an established presence in the Philippines and has the same target market of middle and upper middle-income consumer segments.
- *DIY stores.* The market for DIY and related products in the Philippines is highly competitive and fragmented. Retailers are largely classified into stand-alone bigbox operators, mall-based DIY retailers and traditional hardware retailers.

For the mall-based formats Handyman Do it Best and True Value, the Company believes that its direct competitor is Ace Hardware, which has comparable scale of operations. They compete with Ace Hardware primarily on the basis of product selection, price, promotions and customer service.

For the big-box hardware format, Robinsons Builders and Home Plus have a strong presence in the Visayas and Cagayan de Oro and it is directly competing against Citi Hardware which has a strong foothold in Visayas and Mindanao. The Company believes that it competes well against Citi Hardware in terms of brand assortment of hardware and construction products, quality merchandise, price, store location, marketing promotions and after-sales services against Citi Hardware. Robinsons Builders and Home Plus also compete with Wilcon Depot. Wilcon's network is concentrated in Metro Manila and Luzon, but it has begun to expand farther south of the Philippines, with stores in Cebu, Negros, Iloilo, Agusan del Norte, Davao and in other provinces.

Generally, the Company believes that competition in the DIY market is based broadly on pricing, delivery, brand recognition, quality, after sales services and availability of products. It also believes that it competes favorably with respect to most of these factors.

• Convenience stores.

Ministop faces direct competition from other chains of convenience stores, supermarkets and other retail outlets. With respect to their ready-to-eat products, Ministop also competes with other providers of these products, such as fast-food restaurants.

The Company's primary convenience store competitors are 7-Eleven, Alfamart, Family Mart and Lawson. Philippine Seven Corp, the operator of the 7-Eleven chain, is the largest convenience store chain in the Philippines. Alfamart, operated by the SM Group, offers similar goods and services in 24/7 minimart format. Mercury Drug also competes in the CVS space, as it is shifting its merchandise mix to include more daily essentials and impulse buy products alongside its primary pharmacy business. Some Mercury Drug stores also operate 24/7.

The Company competes for customers primarily on the basis of store location and product assortment and quality.

- *Drugstores.* The drug store industry in the Philippines is intensely competitive. Southstar Drug and Rose Pharmacy primarily competes with other retail drug store chains, such as Mercury Drug and Watson's . TGP likewise competes with Generika Drugstore and small independent pharmacies. Increasingly as well, the Company faces competition from discount stores, convenience stores and supermarkets as they increase their offerings of non-pharmaceuticals items, such as food and personal care products.
- Specialty stores.

Toys "R" Us. Toys "R" Us is the second largest toys retailer after Toy Kingdom. Toys "R" Us competes with Toy Kingdom on the basis of its strong brand name and store recognition. With its line of affordable but quality private labels and exclusive products, Toys "R" Us offers a complete and differentiated product offering to its shoppers.

Robinsons Appliances and *Savers Appliances*. Robinsons Appliances competes with SM Appliances, Abenson and Anson's in the retail appliance space. Robinsons Appliances offers a wide range of home appliances and consumer electronics along with services such as delivery, installation, and payment services to support its customers' needs.

Savers Appliances has an established institutional sales channel, servicing corporate and bulk appliance needs mainly in Metro Manila, North and Central Luzon. It offers various industrial and commercial capacity appliance products such as system air-conditioning, refrigeration and ventilating equipment supported by delivery, installation and after sales services.

Mass Merchandise. Daiso Japan and Japan Home Center are currently the major players in the one-price discount stores operators in the Philippines. New competitors include Miniso and Mumuso, which share a similar target market through Japanese-style merchandise and store brandingWith the company's exclusive partnership with Daiso Industries Co. Ltd. of Japan, the stores are able to offer a broad range of authentic Daiso merchandise that boasts of product quality and aesthetic appeal at affordable prices starting at P88. On the other hand, Super50 competes at a lower price point, which is P50.

Beauty Division. The Beauty Market (cosmetics and skin care) in the Philippines is very dynamic, with each retailer racing against each other for variety and a strong commercial presence. Competition is likewise coming from large international beauty companies which are setting up stand-alone stores in major malls aside from locating inside department stores (for example, MAC, Clinique, Lancome, Dior).

Pet Lovers Centre. Pet Lovers Centre competes with other pet retailers, such as Pet Express, and Dogs and the City, in terms of services and assortment, primarily pet supplies.

(vii) **Suppliers.** Revenue is derived substantially from direct sales and sales of consigned merchandise, and the success depends on the ability to retain and attract new suppliers and consignors on favorable terms. The sourcing of products is dependent, in part, on the relationships with the suppliers. The Company maintains long-standing working relationships with a broad range of national and multinational suppliers across all business segments.

Supermarkets. With over 2,000 regular suppliers as of 2020, Robinsons Supermarket's supplier base is diversified between local suppliers such as San Miguel Corp. and Universal Robina Corporation (URC) and multinational corporations such as Nestle Philippines, Unilever and Procter & Gamble. Robinsons Supermarket's top five suppliers together accounted for 27.6%, 24.8% and 22.8% of the net sales in 2018, 2019 and 2020, respectively

Department Stores. For outright sales, Robinson Department Store sources and sells its own direct-purchase merchandise in its stores. Most of its outright sales consist of beauty and personal care, household merchandise and children's apparel. RDS' outright sales include a private label named Essentials that carries paper products. It has also strengthened sourcing for home and children's departments, thus adding more offerings to customers. As of 2020, Unilever, L'Oreal, Mondelez Phils., Procter & Gamble, Brandlines (Nivea) and Johnson & Johnson were some of RDS' largest outright sales suppliers.

DIY Stores. For outright sales, the Company sources the DIY and other products at favorable terms primarily from large-scale local suppliers and from over 500 foreign vendors accredited by Do it Best Corporation and True Value. For the bigbox format, it also sources its tiles, sanitary wares, wood, among others, from foreign vendors based in the Asia-Pacific region. The Company does not believe that it relies on any single supplier or group of suppliers for any of its products.

Convenience Stores. To effectively satisfy customer preferences, the Company has established working relationships with over 200 regular suppliers as of 2020. The supplier base is diversified from large local suppliers such as Globe, URC and San Miguel Corp; smaller local suppliers for Ministop's ready-to-eat and private label products; to multinational corporations such as Coca Cola, Phillip Morris Phils and Unilever Phils. Ministop selects its suppliers using a number of criteria, including customer preferences, suppliers' capacity to serve all Ministop stores, product assortment and quality, brand reputation, business plans and budgets and compliance with Ministop's commercial principles. The Company believes that the business as a whole is not dependent on any single supplier.

Drug Stores. Southstar Drug and Rose Pharmacy source pharmaceutical products from over 380 suppliers, such as United Laboratories, GSK, Pascual Laboratories, Natrapharm, , Abbot Nutrition, Boehringer, Intermed Marketing and Sanofi. SSD's top five largest pharmaceutical suppliers accounted for 58.9% of the total purchases in 2020, 31.0% of the total purchases in 2020 and 30.8% in 2019. The Company only accepts products which are FDA-certified in the Philippines and ensures that the products it carries come from reputable and known manufacturers and companies. The Company sources non-pharmaceutical products from over 300 established suppliers and providers, such as Unilever, P&G, Nestle, Wyeth Nutritional and Mead Johnson.

The Generics Pharmacy. TGP sources generic and branded medicines from established distributors and toll-manufacturers that produce private label generic medicines for the Company. TGP selects its partners using a number of criteria, including quality, affordability and capacity to serve the Company's demands. All products are FDA-certified in the Philippines to ensure that the medicines are compliant with the prescribed standards of the regulatory agency. As of 2020, Eurohealth Group of Companies, Sandoz Philippines, Kylemed Group of Companies and Zuellig Pharma, Unilab, Inc. were among TGP's largest suppliers. TGP's top five largest suppliers constitutes 34% of the total purchases in 2020.

Specialty stores.

Toys "*R*" *Us.* The Toys "R" Us private labels and exclusives, as well as importations (done through indentors/consolidators, which provide a differentiated offering), are directly sourced through the Toys "R" Us regional buying office where orders are consolidated to ensure that products are sourced at the lowest costs and margins are maximized. The Company also partners with local suppliers for locally developed merchandise both on outright or consignment.

Robinsons Appliances and *Savers Appliances*. Reliability and strong service network are some of the top requirements of customers in choosing consumer electronics and home appliances. Robinsons Appliances and Savers Appliances partner with reputable suppliers such as Samsung Electronics, LG Electronics, Sony Philippines and Sharp Philippines to provide the best home entertainment solutions. Aesthetically appealing, functional and user-friendly home appliances are offered in partnership with Concepcion-Carrier Airconditioning, G.E., Panasonic Corporation, Electrolux Philippines and Whirlpool Home Appliances, among others.

Beauty Division. As the country's exclusive franchisee of the international brands it carries, RRHI-Beauty stores source their physical merchandise from legitimate distributors of its labels Shiseido, Benefit and Elizabeth Arden.\

Mass Merchandise. Daiso Japan's one price point merchandise is composed of various items that have been evaluated and manufactured with the Japanese standards of Daiso Industries Co., Ltd. The stores are supplied primarily by the principal company, as well as approved international and local partners/suppliers that carry the Daiso brand. This ensures quality and the authenticity of the store's diverse product range. Grounded on the pillars of variety, quality, and uniqueness, Daiso stores are home to practical and collectible home and kitchen products,

utensils, office supplies, snacks, and beauty essentials. Super50 sources from various suppliers of quality goods sold at an affordable price point.

Pet Lovers Centre: As the country's exclusive franchisee of the Singaporean brand, the store sources their physical merchandise from legitimate distributors of its labels.

- (viii) Dependence upon single or few suppliers or customers. The Company believes that its business as a whole is not dependent on any single supplier. The Company's five largest suppliers accounted at estimated 14.2% of consolidated net sales in 2020. The Company does not rely a single or few customers but to the buying public in general.
- (ix) Transactions with related parties. In the ordinary course of business, the Company engages in a variety of transactions with related parties. The Company is controlled by the Gokongwei Family. Members of the Gokongwei Family also serve as directors and executive officers. Certain members of the Gokongwei Family are also major shareholders of JG Summit Holdings, Inc. The most significant transactions with the Gokongwei Family include leasing retail stores in the shopping malls owned by Robinsons Land Corporation (RLC), a company controlled by the Gokongwei Family. The Company policy with respect to related party transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company rents a significant number of its stores, commercial centers and office buildings from RLC and its affiliates. Members of the Company, including primarily Robinsons Supermarket and Ministop, sourced significant amount of their products from URC.

 (x) Patents, Trademarks, Licenses, Franchises, Concessions or Labor Contract. Following are the marks of the subsidiaries of RRHI as of December 31, 2020: Supermarket Trademarks
 Name of Trademark

Name of Trademark	Symbol of Trademark
1. ROBINSONS SUPERMARKET	Q Robinsons Supermarket
2. HEALTHY YOU	Healthy You
3. NATURE`S PURE	Nature's Pure
4. BREEDER`S CHOICE DOG FOOD	Breeder's Choice
5. ROBINSONS EASYMART	@ Robinsons Easymart
6. ROBINSONS SELECTIONS	ROBINSONSSELECTIONS
7. JAYNITH'S SUPERMART	ANYNITH'S SUPERMART
8. ROBINSONS TOWNVILLE	ROBINSONS Townville
9. ROBINSONS PRIVATE LABEL	Robinsons
10. HEALTHY YOU	HEALTHY YOU
11. SHOPWISE	SHOPWISE
12. SHOPWISE EXPRESS	SHOPWISE express
13. SUREBUY	SureBuy
14. SUREBUY PREMIUM	surebuy
15. BENNY'S	Benny's

- 16. FRESH PICKS
- 17. PIZZAYOLO
- 18. THE GOOD LIFE YOU CAN AFFORD
- 19. WISE CARD
- 20. WISE CARD ELITE
- 21. CHICKEN CORNER
- 22. MONGOLIAN STIR FRY BY SHOPWISE

Department Store Trademarks



The good life you can afford



Symbol of trademark

--E X E C U T I V E--

playerdand playerdand

PORTSIDE

nitelites

bridgetscloset

номе

B+active

all about

KiDz

RAFAEL

grab.a.tee

Never Been Kissed

	Name of Trademark
1.	EXECUTIVE BY ROBINSONS
2.	PLAYGROUND
3.	PORTSIDE
4.	NITELITES
5.	BRIDGET`S CLOSET
6.	HOME ESSENTIALS
7.	B+ACTIVE
8.	ALL ABOUT KIDS
9.	RAFAEL
10.	GRAB A TEE

11. NEVER BEEN KISSED

- 12. JUMPING BEANS
- 13. SIMPLY ME
- 14. PUNKBERRY
- 15. SUN KISSED
- 16. MARJOLAINE
- 17. LIBERTE
- 18. STELLA
- 19. TED MOSS
- 20. VANITY
- 21. PORTSIDE ACTIVE
- 22. MALEBOX
- 23. BELLA
- 24. BOTTOMS UP
- 25. WORKSHOP
- 26. RAFAEL SCRIPT
- 27. TED MOSS ACCESSORIES
- 28. LOCKSAC
- 29. TAB
- 30. CONQUEST



31. BRITISH POLO

BRITISH

DIY Store Trademarks

	Name of Trademark	Symbol of trademark
1.	ROBINSONS HANDYMAN	
2.	THUNDER	Thunder
3.	HIGH GEAR	
4.	WISHY WASHY	Clyisty Thesty
5.	BOW WOW	
6.	SUPER CHOW	Supera
7.	BATH BASICS	BathBasics
8.	ROBINSONS BUILDERS	ROBINSONS BUILDERS
9.	TRUE HOME	TRUE HOME
10.	BIANCA	Bianca
11.	BLANCO	BLANCO
12.	A.M BUILDERS DEPOT	A.M. BUILDERS' DEPOT
13.	ICONO	icono
14.	ICONO PREMIO	ÎCONO
15.	ICONO CLASSICO	icono

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- 16. IMAGO
- 17. DE ORO PACIFIC HOME PLUS
- 18. CAT CHEW
- 19. MODERN HOME

Convenience Store Trademarks

imago modern home

Name of Trademark	Symbol of trademark
1. CHILLZ	CHÎLLZ
2. UNCLE JOHN'S FRIED CHICKEN	CHICKEN
3. MY SUNDAE	My SUNDAE
4. MY CHOICE	choice
5. KARIMAN	KEREMEN
6. HOTCHIX	ΗΟΤCΗΙΧ
7. EATS TO GO	TO GO
8. MY SUNDAE NEW RENDITION	MYSUNDAE
9. UNCLE JOHN'S FC NEW RENDITION	Uncle John's Fried Chicken
Drug Store Trademarks Name of Trademark	Symbol of trademark
1. SOUTH STAR DRUG	southstar drug [®]
2. SOUTH STAR DRUG MAPAGKAKATIWALAANG TUNAY	South Star Drug

2. SOUTH STAR DRUG MAPAGKAKATIWALAANG TUNAY

TGP WITH LOGO 9

GAMOT

MATIPID PA

PHARMACY

NA. MATIPID PA!

4.

5.

6.

10. TGP⁺ THE GENERICS PHARMACY

3. MANSON DRUG TUNAY AT MURA ANG

TGP – THE GENERICS PHARMACY

THE GENERICS PHARMACY MABISA NA

THE GENERICS PHARMACY

7. BASTA GENERICS, THE GENERICS

11. ROSE PHARMACY

12. ROSE PHARMACY

13. ROSE + CLINIC

14. ROSE XPRESS DELIVERY

15. ROSE PHARMACY

16. ROSE PHARMACY

Amanson drug

[™]TGP

BASTA GENERICS. THE GENERICS PHARMACY

> TTGP THE GENERICS PHARMACY

THE TGP

TGP THE GENERICS PHARMACY



RosePharmacy

Rose Pharmacy

Rose + clinic

OSE

RosePharmacy

RosePharmacy

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	(SARAP MAGMAHAL A Culture of ng Service Uniquely of Rose Pharmacy	Acuture of Rese Phonemacy
Specialty	Store Trademarks	
	Name of Trademark	Symbol of trademark
1. ROE	SINSONS APPLIANCES	Robinsons Appliances
2. ROE	SINSONS SPECIALTY STORES, INC.	Robinsons specialty stores, inc.
3. SAL	ZEN	saizeň
4. SAV	ER'S APPLIANCES	SAVERS
Others		
	Name of Trademark	Symbol of trademark
1. R		R
2. R R0	OBINSONS RETAIL HOLDINGS, INC	ROBINSONS RETAIL HOLDINGS, INC.
3. ROE	SINSONS SHOP CARD	Shop
4. Fit &	z Fun Wellness Buddy Run	FIT&FUN WELLNESS BUDDY RUN
5. Well	ness Moms	WELLNESS MOMS 🌢
6. We]	Love Wellness	WE LOVE
7. Heal	thier Days Start Here	HEALTHIER DAYS START HERE
8. I Lov	ve Wellness	I LOVE WELLNESS
9. Robi	nsons Wallet	Robinsons Wallet
10. #Eas	yOnThePlastic	#EasyOnThePlastic

- 11. Easymart Rays
- 12. Take It Easy
- 13. Your Store for Everyday Needs
- 14. Go Chicken
- 15. Tindahan
- 16. Curated Home
- 17. 19. Fit Kids



(xi) **Government Approvals.** The Company and all its subsidiaries have obtained all permits, licenses and approvals from national and local government units and other government agencies necessary to lease store spaces and operate the same.

As a retailer, the Company and its subsidiaries are subject to the following laws and regulations: a) The Retail Trade Liberalization Act; b) The Food, Drug and Cosmetics Act; c) The Consumer Act; d) The Meat Inspection Code; e) The Price Act; f) The Philippine Food Fortification Act; g) The Comprehensive Dangerous Drugs Act; h) The Pharmacy Law; i) The Generics Act and j) The Philippine Labor Code.

(xii) Effects of Existing or Probable Governmental Regulations on the Business. The Group operates its businesses in a highly regulated environment. These businesses depend upon permits issued by the government authorities or agencies for their operations. The suspension or revocation of such permits could materially and adversely affect the operation of these businesses.

(xiii) Research and Development

None during the year.

(xiv) Cost and Effects of Compliance with Environmental Laws. Operators of retail stores with total store areas (including parking) of over 10,000 square meters (sqm) and/or operators of supermarkets with food stalls are required to obtain an Environment Compliance Certificate (ECC) for each store prior to commencement of business to certify that the operation will not pose an unacceptable environmental impact. Operators of supermarkets may also apply for and secure a Certificate of Non-Coverage (CNC) which exempts them from securing an ECC for their projects.

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The Company must obtain a Philippine Department of Environment and Natural Resources (DENR) identification number from the regional office of the Philippine Environmental Management Bureau (EMB) to dispose of hazardous waste. In the absence of an identification number, the Company may be penalized with a fine ranging from P600 to P4,000.

(xv) Employees. As of December 31, 2020, the Group had 21,035 employees. The Company anticipates that it will have approximately 23,283 employees within the next 12 months for the planned store openings in 2021. The Company's management believes that good labor relations generally exist throughout the operating companies. The Company has experienced no material work stoppages or strikes in the past three years. The Company currently has no labor union or any collective bargaining agreement with any group of employees.

(xvi) Risks

- 1. The Company may experience difficulty in implementing its growth strategy brought about by unsuccessful future store openings, unsuccessful expansion through acquisition and failure of existing stores to benefit from the current favorable retail environment. In addition, new stores may place a greater burden on its existing resources and adversely affect its business as it faces the risk of market saturation brought about by increased competition from other retail companies in the Philippines.
- 2. The Company depends on RLC and other mall operators for the development of parts of its business and leases all of its premises, thus it may not be able to continue to renew these leases or to enter into new leases in favorable locations on acceptable terms thereby exposing the Company to risks relating to the leasing and sub-leasing of any of its stores as well as portions of its supermarket space.
- 3. The Company's retail business depends on its ability to source and sell the appropriate mix of products to suit the changing consumer preferences and relies on services rendered by independent contractors that may not always meet its requirements for quality or be available or completed within its budget. Also the success of its business depends in part on its ability to develop and maintain good relationships with its current and future suppliers and consignors. Likewise, the success of its business depends in part on its ability to develop and maintain good relationships with its franchisors and/or licensors. Thus, a deterioration of the value of its brand names and trademarks may have a material adverse effect on its business.
- 4. The Company operates in a regulated industry and its business is affected by the development and application of regulations in the Philippines. Continued compliance with, and any changes in, environmental laws and regulations may adversely affect its results of operations and financial condition. The Company may fail to fulfill the terms of licenses, permits and other authorizations, or fail to renew them on expiration. The Company may face difficulty in hiring sufficient numbers of pharmacists to meet the demands of its drug store operations due to shortage of registered pharmacists in the Philippines thereby facing the risk of not being able to operate new drug store or be forced to close existing ones. Product liability claims in respect of defective goods sold in its stores and food safety and food-borne illness concerns could adversely affect its reputation and its financial prospects.

Likewise, the sale of counterfeit products may affect its reputation and profitability. On the other hand, its senior citizen discounts for purchases of prescribed medicines and prime commodities may be subject to abuse or unchecked fraudulent practices by unqualified customers.

- 5. The Company is exposed to certain risks in connection with the substantial use of cash in its operations. Damage to or other potential losses involving, its assets may not be covered by insurance. Its business, financial performance and results of operations are subject to seasonality. The Company relies on dividends and distributions from its subsidiaries to fund its cash and financing requirements.
- 6. The Company is controlled by the Gokongwei Family and its interests may differ significantly from the interests of other shareholders as its business and operations are dependent upon key executives. The Company is party to a large number of related party transactions and its operating results and financial condition are affected by a significant minority shareholding in Robinsons Bank.
- 7. Its operations are concentrated in the Philippines, and therefore any downturn in general economic conditions in the Philippines could have a material adverse impact on its business operations. Any political instability in the Philippines may adversely affect its business operations. Continued terrorist activities and high-profile violent crime in the Philippines could destabilize the country, adversely affecting its business environment and the occurrence of natural disasters or other catastrophes, severe weather conditions, or outbreaks of contagious diseases may materially adversely affect the Philippine economy and disrupt its operations.
- 8. Future changes in the value of the Philippine Peso against the U.S. dollar and other currencies may adversely affect its results of operations
- 9. Government mandated measures such as lockdowns due to COVID 19 pandemic created significant volatility across the business of the group. This resulted to both temporary and permanent store closures.

Item 2. Properties. Commercial spaces for all of retail establishments from various entities across the Philippines are leased by the Company. The lease rates and terms for these commercial spaces follow standard market rates and practices for similar businesses. The following table is illustrative of the rates paid per region.

Region	Rental Scheme	Lease Rate	Term
Metro Manila	Fixed	P100 to P3,840 per sqm	1-25 years
	% to sales	2.0% to 7.20% of sales	1-25 years
	Fixed or % to sales, whichever is higher	P240 to P702 per sqm or 3.0% to 6.0% of sales	1-25 years
	Fixed plus % to Sales	P200 to 3,456 per sqm plus 0.20% to 7.50% of sales	1-15 years
	Fixed	P56 to P2,612per sqm	1-15 years

Luzon (outside Metro	% to sales	2.00% to 6.00% of sales	1-5 years
Manila)	Fixed or % to sales, whichever is higher	P133 to P1,297per sqm or 1.5% to 4.0% of sales	1-15 years
	Fixed plus % to sales	P420 to P770 per sqm plus 1.7% to 6.00% of sales	1-3 years
Visayas	Fixed	P27.00 to P2,229 per sqm	1-20 years
	% to sales	3.00% to 6.00% of sales	1-20 years
	Fixed or % to sales, whichever is higher	225 to 2,225 per sqm or 2% to 6% of sales	1-15 years
	Fixed plus % to sales	175 to 1,050 per sqm plus 1.65% to 6.00%	1-2 years
Mindanao	Fixed	P135 to P2,786 per sqm	1-22 years
	% to sales	2.00% to 6.00% of sales	1-22 years
	Fixed or % to sales, whichever is higher	P1,1176 to P1,297 per sqm or 2.0%-4.0% of sales	1-5 years
	Fixed plus % to sales	P525 to P800 per sqm plus 1.65% or 125-200 per sqm	1-5 years

Supermarket. The following table sets out the location, number of stores and gross selling space of the Company's supermarkets that are leased as of December 31, 2020.

	No. of stores	Gross Selling Area in sqm
Metro Manila	111	258,675
Luzon	101	242,661
Visayas	36	105,906
Mindanao	16	56,895
Total	264	664,137

Department stores. The following table sets out the location, number of stores and gross selling space of the Company's department stores that are leased as of December 31, 2020.

	No. of stores	Gross Selling Area in sqm
Metro Manila	11	104,429
Luzon	19	119,764
Visayas	10	76,007
Mindanao	9	64,311
Total	49	364,510

	No. of stores	Gross Selling Area in sqm
Metro Manila	69	60,485
Luzon	88	63,075
Visayas	44	45,551
Mindanao	24	25,174
Total	225	194,285

DIY Stores. The following table sets out the location, number of stores and gross selling space of DIY stores as of December 31, 2020, all of which are under a lease agreement:

Convenience Stores. The following table sets out the location, number of stores and gross selling space of Ministop stores as December 31, 2020, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
Metro Manila	298	30,065
Luzon	152	15,498
Visayas	22	2,013
Mindanao	-	-
Total	472	47,576

Drug Stores. The following table sets out the number of South Star Drug and Rose Pharmacy stores by region as December 31, 2020, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
Metro Manila	115	9,224
Luzon	357	37,280
Visayas	233	19,270
Mindanao	124	10,020
Total	829	75,793

Specialty Stores. The following table sets out the number of stores of *Robinsons Appliances and* Savers Appliances stores, *Toys "R" Us* stores (including the *Toy "R" Us Toybox* sections located in RDS stores), *Daiso Japan* stores, international fashion specialty retail and beauty brand formats as of December 31, 2020, all of which are under a lease agreement:

	No. of stores	Gross Selling Area in sqm
Metro Manila	112	46,828
Luzon	136	61,481
Visayas	42	17,631
Mindanao	28	11,324
Total	318	137,264

Item 3. Legal Proceedings. As of December 31, 2020, neither the Company nor any of its subsidiaries or affiliates or any of their properties is engaged in or a subject of any material litigation, claims or arbitration either as plaintiff or defendant, which could be expected to have a material effect on its financial position and the Company is not aware of any facts likely to give rise to any proceedings which would materially and adversely affect business or operations.

Item 4. Submission of Matters to a Vote of Security Holders. There were no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

(A) Principal Market or Markets Where the Registrant's Common Equity is Traded

The common stock of the Company is listed on the Philippine Stock Exchange.

STOCK PRICES

<u>2021</u>

	High	Low
January 2021	66.45	60.50
February 2021	62.00	53.55

<u>2020</u>

	High	Low
First Quarter	58.95	54.35
Second Quarter	65.75	62.00
Third Quarter	68.00	64.50
Fourth Quarter	66.65	65.00

<u>2019</u>

	High	Low
First Quarter	89.70	78.00
Second Quarter	80.35	68.85
Third Quarter	81.70	74.80
Fourth Quarter	80.00	72.00

<u>2018</u>

	High	Low
First Quarter	₽101.80	₽83.80
Second Quarter	92.00	76.50
Third Quarter	89.00	77.50
Fourth Quarter	81.8	70

<u>2017</u>

	High	Low
First Quarter	₽83.95	₽72.70
Second Quarter	89.20	75.50
Third Quarter	105.00	82.60
Fourth Quarter	108.10	89.95

<u>2016</u>

	High	Low
First Quarter	₽74.65	₽56.00
Second Quarter	86.60	72.00
Third Quarter	89.00	75.00
Fourth Quarter	81.00	71.00

(B) Holders

The number of shareholders of record as of December 31, 2020 was 44. Common shares outstanding as of December 31, 2020 were 1,563,460,430.

List of Top 20 stockholders as of December 31, 2020

	Number of shares	Percent to Total	
Name of stockholder	held	Outstanding	
1. JE Holdings, Inc.	491,299,997	31.42%	
2. PCD Nominee Corporation (Filipino)	212,108,618		
3. PCD Nominee Corporation (Non-Filipino)	223,325,905	14.28%	
4. Mulgrave Corporation B.V./GCH Investments Pte Ltd	315,308,689	20.18%	
5. Lance Y. Gokongwei	107,538,351	6.88%	
6. Robina Gokongwei-Pe	89,906,846	5.75%	
7. James L. Go	31,928,005	2.04%	
8. Lisa Y. Gokongwei-Cheng	29,968,949	1.91%	
8. Faith Y. Gokongwei-Lim	29,968,949	1.91%	
8. Marcia Y. Gokongwei	29,968,949	1.91%	
9. Wilfred T. Co	2,027,936	0.13%	
10. Lucio W. Yan &/or Clara Y. Yan	100,000	0.01%	
11. Pacifico B. Tacub	2,000	0.00%	
11. Stephen T. Teo &/or Teresita R. Teo	2,000	0.00%	
12. Vicente Piccio Mercado	1,000	0.00%	
12. John T. Lao	1,000	0.00%	
12. David L. Kho	1,000	0.00%	
12. Miguel P. Guerrero or Alice T. Guerrero	1,000	0.00%	
13. Maria Lourdes Medroso Mercado	600	0.00%	
14. Julius Victor Emmanuel D. Sanvictores	100	0.00%	
14. Hector A. Sanvictores	100	0.00%	
14. Felicitas F. Tacub	100	0.00%	
14. Joselito C. Herrera	100	0.00%	
14. Gabrielle Claudia F. Herrera	100	0.00%	
14. Nadezhda Iskra F. Herrera	100	0.00%	

	Number of shares	Percent to Total		
Name of stockholder	held	Outstanding		
15. Dondi Ron R. Limgenco	11	0.00%		
16. Ronald S. Bes	10	0.00%		
17. Owen Nathaniel S. Au ITF: Li Marcus Au	5	0.00%		
18. John L. Gokongwei, Jr.	1	0.00%		
18. Hope Y. Gokongwei-Tang	1	0.00%		
18. Antonio L. Go	1	0.00%		
18. Roberto R. Romulo	1	0.00%		
18. Joselito T. Bautista	1	0.00%		
18. Ian James Winward McLeod	1	0.00%		
18. Samuel Sanghyun Kim	1	0.00%		
18.Botschaft N. Cheng or Sevila Ngo	1	0.00%		
18.Rodolfo P. Ng	1	0.00%		
19.Cirilo P. Noel	1	0.00%		
Total outstanding	1,563,460,430	100.00%		

(C) Dividends

On May 13, 2020, the Company's Board of Directors (BOD) approved the declaration of a cash dividend in the amount of P1.00 per share from the unrestricted retained earnings of the Company as of December 31, 2019 to all stockholders of record as of June 3, 2020 and payable on June 30, 2020.

On May 30, 2019, the Company's Board of Directors (BOD) approved the declaration of a cash dividend in the amount of P0.72 per share from the unrestricted retained earnings of the Company as of December 31, 2018 to all stockholders of record as of June 20, 2019 and payable on July 12, 2019.

On May 28, 2018, the Company's Board of Directors (BOD) approved the declaration of a cash dividend in the amount of P0.72 per share from the unrestricted retained earnings of the Company as of December 31, 2017 to all stockholders of record as of June 18, 2018 and payable on July 12, 2018.

(D) Restriction that Limits the Payment of Dividends on Common Shares None

(E) Recent Sales of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction. None

Item 6. Management's Discussion and Analysis or Plan of Operation

December 31, 2020 vs December 31, 2019

Consolidated Results of Operations

(Amouns in Million Pesos)

In 2019, the Group adopted Philippine Financial Reporting Standards (PFRS) 16-Leases in accounting for its operating leases where the Group is the lessee. The Group recognized an asset representing right of use of the leased property (ROU) and a liability for lease payments (Lease Liability). The effects of the new standard for both 2020 and 2019 results are as follows:

Period Ended December 31							
	2020		2019		% Change		
Financial Summary (Amount in million Pesos except EPS)	Under PFRS 16 (A)	Under Previous Standard (B)	Under PFRS 16, As Restated (C)	Under Previous Standard (D)	2020 (A) vs. 2019 (C)	2020 (B) vs. 2019 (D)	
Consolidated Statement of Comprehensive Income Data Sales- net of sales discounts and returns Cost of merchandise sold Operating expenses Interest expense Income before income tax Provision for income tax Net income Net income Net income attributable to Parent Company EPS	(7) 151,070.3 118,172.3 28,736.7 2,326.3 4,418.9 933.3 3,485.6 3,216.6 2.05	(b) 151,070.3 118,172.3 29,530.2 146.4 5,805.2 1,349.2 4,456.1 4,132.1 2.63	162,915.7 125,734.5 32,123.2 2,578.5 6,109.6 1,559.3 4,550.3 3,918.6 2.49	162,915.7 125,734.5 32,761.2 300.7 7,749.3 2,091.7 5,657.7 4,907.8 3.11	-7.3% -6.0% -10.5% -9.8% -27.7% -40.1% -23.4% -17.9% -17.8%	-6.0% -9.9% -51.3% -25.1% -35.5% -21.2% -15.8%	
Consolidated Statement of Cash Flow Data Net cash provided by (used in) operating activities Net cash provided by (used in) investing activities Net cash used in financing activities <u>Consolidated Statement of Financial Position Data</u> Total assets Total liabilities Total stockholder's equity	7,614.4 (4,937.2) (1,644.6) 141,596.2 64,005.9 77,590.2		12,049.0 1,817.8 (8,359.8) 137,866.1 61,339.7 76,526.4	7,606.8 1,817.8 (3,917.7) 1111,055.5 33,421.7 77,633.8	-36.8% -371.6% -80.3% 2.7% 4.3% 1.4%	-371.6% -158.5% 4.3% 9.7%	

Robinsons Retail Holdings, Inc. recorded net income at P3,486 million for the twelve months ended December 31, 2020, a decrease of 23.4% as compared to P4,550 million for the twelve months ended December 31, 2019. Without the impact of PFRS 16, net income would have been P4,456 million, this year vs. P5,658 million last year. Net income attributable to parent amounted to P3,217 million for the twelve months ended December 31, 2020, a decline of 17.9% vs. same period last year as business performance was affected mainly by the negative economic effects of the pandemic.

Consolidated net sales decreased by 7.3% from ₱162,916 million for the twelve months ended December 31, 2019 to ₱151,070 million for the twelve months ended December 31, 2020. Sales were impacted by the temporary closure of the stores considered non-essential during the Enhanced Community Quarantine (ECQ) imposed by government starting March 17, 2020. Majority of the Company's stores across all formats resumed operations only in May 16, 2020 following relaxed quarantine restrictions save for a reimposition of MECQ in Metro Manila and nearby provinces in the 1st 2 weeks of August. Since then, operating hours have been shortened and foot traffic is down due to the negative economic effects of the pandemic such as a) higher unemployment rate; b) decline in OFW remittances; c) slump in tourism activity; and d) easing of government subsidy. Excluding Rose Pharmacy, net sales declined 8.0% year-on-year to ₱149,884 million.

Blended same store sales growth (SSSG) was -15.6% for the fourth quarter of 2020 and -8.9% for the full year 2020. Supermarket segment posted 7.7% SSSG for the year, while the drugstore segment
recorded flat SSSG given the high base effect of 9.9% SSSG last year. The rest of the formats registered negative SSSG mainly due to the lockdowns imposed by government and ordinances prohibiting individuals below 15 and above 65 years old to go out. Convenience stores were closed because of the closure of offices and schools where the stores are located due to work-from-home and remote learning setups, respectively. Strict curfew hours for extended periods during the different phases of quarantine also affected foot traffic and store operating hours.

Meanwhile, aggregate online sales rose to 1.4% of total RRHI sales in the fourth quarter compared to only 0.2% in the first quarter of the year. It reached P1.6 billion in 2020, registering a threefold increase and accounting for 1.1% of total sales from 0.4% the previous year.

Gross profit margin was at 22.4% in the fourth quarter, mainly due to the consolidation of lower margin business of Rose Pharmacy. Due to the lack of scale, Rose Pharmacy does not yet enjoy the same margins as Southstar Drug, but aligning trade margins will be a priority similar to the margins gained from the consolidation of Robinsons Supermarket and Rustan. Excluding Rose Pharmacy, gross margin increased by 30bps to 22.7% in the fourth quarter, with full year down by 100bps to 21.8% in line with expectations of 50-100bps gross margin compression maily driven by sales decline in higher margin discretionary formats.

The Group implemented cost containment measures to cushion the impact of weakened sales performance with OPEX declining 70bps as % of sales, partially mitigating the 100bps gross margin compression. Full year EBITDA margin was down by only 50bps to 8.5% due to lower store productivity from reduced operating hours and low foot traffic, despite efficiencies from the integration of Rustan in the Supermarket business. Net income attributable to equity holders of the parent company declined by 17.9% to ₱3,217 million in 2020.

COVID-19 Impact, Risks and Mitigation

On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to COVID 19 which resulted to the imposition of an Enhanced Community Quarantine throughout Luzon starting midnight of March 16, 2020 until May 16, 2020 when quarantine restrictions were relaxed save for a reimposition of MECQ in Metro Manila and nearby provinces in the 1st 2 weeks of August.

The Group has recognized the health and business risks posed by the virus to the general public and the need to join the collective effort in mitigating the spread of COVID-19. In the face of this global crisis, the Group remains collected and vigilant as it operates and maintains mitigation efforts to help safeguard the health and safety of its employees and customers.

Segment Operations

(i) *Supermarket*. The Supermarket segment continued to account for the largest share in the Group's sales, EBIT and EBITDA. Full year consolidated net sales of the whole supermarket segment was at ₱94,121 million, 6.3% higher than last year. This was despite the slowdown in the fourth quarter where SSSG eased to -2.3% caused mainly by the decline in consumer purchasing power and increasing competition from social commerce and online grocery platforms. Full year SSSG, however, still ended at a robust 7.7% given the strong pandemic-induced sales in the first 3 quarters. Fourth quarter online sales amounted to 1.4% of total sales while full year online sales breached the ₱1.0 billion mark, representing 1.1% of total Group sales and 3.1% of the sales of all 58 stores offering online grocery service.

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Gross margins expanded by 110bps to 22.2% in the fourth quarter, driven by the recovery in back end margins or other income, narrowing the decline for the full year by 10bps to 20.9%. EBITDA margin declined by 30bps to 8.3% in the fourth quarter but expanded by 50bps to 8.3% for the full year due to the cost-efficiencies from the integration for Rustan, rent discounts and better DC cost recovery.

(ii) Department Stores. Robinsons Department Store's net sales were down 45.2% to ₱3,354 million in the fourth quarter, with full-year net sales at ₱8,451 million. The categories with the least decline were: a) home (-33%) driven by kitchenware, small appliances and storage (-19%); b) sports accessories (-24%); c)men's undergarments (-37%); d) health & beauty (-39%); and e) infants (-41%) driven by accessories (-27%). Online sales, including call & collect/delivery (We Shop for You) increased 7x from the previous year.

Although SSSG for the quarter was still weak at -45.6%, this was an improvement from the -59.0% and -79.6% recorded in the third and second quarters, respectively. Full year SSSG was at -52.0% mainly due to the low foot traffic and drop in back-to-school sales due to the shift to online classes and increased competition from online shops.

Despite the 50bps decline to 27.3% in the fourth quarter, gross margin for 2020 was up by 190bps at 29.6% benefiting from higher DC fees that started in the last quarter of 2019 and improvement in category mix. Fourth quarter EBITDA margins was at 5.3%, an improvement from the 1.5% recorded in the third quarter, with full year EBITDA margins at 3.3%.

(iii) Convenience stores. Ministop system-wide sales at ₱1.4 billion in the fourth quarter was a decline of 45.4% year-on-year, but an improvement from the -47.0% in the third quarter. Full year system-wide sales and merchandise sales were at ₱6.4 billion and ₱4.8 billion, respectively. Total e-commerce sales for the fourth quarter rose to 1.3% of sales from 0.8% in the first quarter with the increased traction from our delivery tie-up with Grabfood and Grabmart (particularly for ready-to-eat food) under the new normal. Average daily sales continue to improve month-on-month in the fourth quarter as we aggressively expanded our assortment and recovery in ready-to-eat food sales. Fourth quarter SSSG slightly improved although still weak at -38.9% from -44.3% in the third quarter. Full year SSSG was at -31.8% as approximately 60% of our store network are located in BPO and commercial districts which were the most challenged with FY SSSG at -42% and -39%, respectively.

Gross profit and royalty income margin dipped 90bps to 34.2% in 2020 due to higher number of company owned stores. Meanwhile, EBITDA margin for the fourth quarter was lifted by the steep decline in operating costs advancing by 490bps to 8.3%, including substantial rental discounts being negotiated. This was a turnaround from the negative EBITDA margin registered in the fourth quarter, bringing full year EBITDA margin at 6.6%.

(iv) Drug Stores. Net sales of the drugstore segment grew significantly by 14.8% to ₱5,390 million in the fourth quarter and 7.8% to ₱19,059 million in 2020 mainly due to the two-month consolidation of Rose Pharmacy. Excluding Rose Pharmacy, net sales increased by 1.1% to ₱17,872 million for the full year. The contribution of online sales increased to 0.7% in the fourth quarter from only 0.3% in the second quarter when the site started. Southstar Drug registered negative SSSG for the fourth quarter due to the following: a) high base effect of 7.4% in 2019 from the meningococcemia scare, rapid progression of dengue in the country, and flu outbreak; and b) lower demand for prescription medicines due to less people visiting hospitals. Meanwhile, 2020 SSSG was flat.

Blended gross margins declined by 170bps to 16.8% in the fourth quarter and 30bps to 19.0% for the full year, impacted by the consolidation of the lower margin business of Rose Pharmacy. Excluding Rose Pharmacy, gross margins increased by 10bps to 19.4%. Rose Pharmacy recorded higher operating cost which dragged down consolidated EBITDA margin by 10bps to 9.1% in 2020. Excluding Rose Pharmacy, EBITDA margin of the drugstore segment rose by 30bps to 9.7% in 2020.

(v) DIY Stores. The DIY segment posted ₱3,651 million in net sales for the fourth quarter, down 8.9% from the same period last year. Full year net sales reached ₱11,358 million, 21% lower year-on-year. Total ecommerce sales reached 1.5% of sales in 2020 from 0.3% last year. Fourth quarter SSSG at -11.7% was a vast improvement from the 49.8% decline in the second quarter and 18.6% decline in the third quarter due to a slightly better mall footfall towards the end of the year. Full year SSSG ended at -23.4%. Categories with the least decline were cleaning (-6.7%), pet food (-11.6%) and Lawn and Garden (-13.6%).

Gross margins contracted by 170bps to 29.1% in the fourth quarter due to mark downs to flush out old inventories, but was maintained at 32.5% level in 2020 supported by the gains achieved in the first nine months. OPEX as % of sales improved by 80bps, partially mitigating the decline in gross margin, with EBITDA margin down by 70bps to 14.6% in the fourth quarter. Year-end EBITDA margin compressed by 70bps to 15.6%.

(vi) Specialty Stores Segment. The specialty segment contributed ₱4,073 million in the fourth quarter, bringing full year 2020 net sales to ₱13,271 million, down by 31.2%. The decline in sales was due to shorter operating time as quarantines and LGU lockdowns remained in effect. By format, the consumer appliances and electronics format contributed 61% of total specialty sales, followed by Daiso and Growsari w ith 12%, Toys R Us with 11%, and the balance from fashion & beauty, Super50, No Brand and Pet Lovers. Fast fashion stores are being closed down since 2018 with the last store to be closed in April 2021. As such, no new inventory were purchased for the whole year of 2020.

SSSG of the specialty segment was at -27.6% in the fourth quarter. Holiday season lifted sales in December but was not enough to offset weakness in prior quarters. Full year SSSG was at -28.0%. E-commerce for 2020 rose to 1.8% of sales from 0.7% last year.

Gross margins shrank to 19.8% in the fourth quarter and 20.6% for the year. Margins for appliances remained compressed in the last quarter of 2020, partially offset by margin improvement from the toys segment. EBITDA margin fell to 6.4% in 2020 due to the challenged SSSG.

Financial Position

As of December 31, 2020, after the impact of the new accounting standard PFRS 16-Leases, the Group's balance sheet showed consolidated assets of P141,596 million. Without the impact of the new standard, consolidated assets amounted to P116,558 million.

Cash and cash equivalents as of December 31, 2020 is at P21,338 million. Net cash provided by operating activities excluding the impact of PFRS 16 totaled P3,679 million. Net cash spent from investing activities amounted to P4,937 million, P4,333 million of which pertains to the acquisition of Rose Pharmacy. Excluding the impact of PFRS 16, net cash provided by financing activities amounted to P2,290 million of which P4,950 million came from net loan proceeds offset by P1,921 million payment of dividends and P793 million to buy back treasury shares.

Trade and other receivables decreased by 18.7% from ₱3,865 million to ₱3,144 million as of December 31, 2020.

Debt and equity instrument financial assets declined by P926 million or 6.2% for the full year 2020 due to redemptions during the period.

Trade and other payables decreased from P25,102 million to P23,363 million as of December 31, 2020 mainly driven by tempered purchases and spending. Current loans payable increased by P4,950 million to augment working capital.

Stockholder's equity stood at P77,590 million as of December 31, 2020.

December 31, 2019 vs December 31, 2018

Consolidated Results of Operations

(Amounts in Million Pesos)

In 2019, the Group adopted Philippine Financial Reporting Standards (PFRS) 16, Leases in accounting for its operating leases where the Group is the lessee. The Group recognized an asset representing right of use of the leased property (ROU) and a liability for lease payments (lease Liability).

	Yea	rs Ended December	31]	
	20)19	2018	% Cha	inge
	Under	Under	Under Previous	2019 (A) vs.	2019 (B) vs.
Financial Summary	PFRS 16	Previous Standard	Standard	2018 (C)	2018 (C)
(Amount in million Pesos except EPS)	(A)	(B)	('C)		2010 (C)
Consolidated Statement of Comprehensive Income Data					
Sales- net of sales discounts and returns	162,915.7	162,915.7	132,680.5	22.8%	22.8%
Cost of merchandise sold	125,734.5	125,734.5	102,845.4	22.3%	22.3%
Operating expenses	32,123.2	32,761.2	25,631.4	25.3%	27.8%
Interest expense	2,578.5	300.7	159.1	1521.0%	89.0%
Income before income tax	6,109.6	7,749.3	7,597.2	-19.6%	2.0%
Provision for income tax	1,559.3	2,091.7	1,772.0	-12.0%	18.0%
Net income	4,550.3	5,657.7	5,825.1	-21.9%	-2.9%
Net income attributable to Parent Company	3,918.6	4,907.8	5,107.3	-23.3%	-3.9%
EPS	2.49	3.11	3.65	-31.8%	-14.6%
Consolidated Statement of Cash Flow Data					
Net cash from operating activities	12,049.0	7,606.8	9,087.1	32.6%	-16.3%
Net cash provided by (used in) investing activities	1,817.8	1,817.8	(6,373.8)	-128.5%	-128.5%
Net cash used in financing activities	(8,359.8)	(3,917.7)	(2,494.7)	235.1%	57.0%
Consolidated Statement of Financial Position Data					
Total assets	137,866.1	111,055.5	107,777.1	27.9%	3.0%
Total liabilities	61,339.7	33,421.7	35,072.9	74.9%	-4.7%
Total stockholder's equity	76,526.4	77,633.8	72,704.2	5.3%	6.8%

Robinsons Retail Holdings, Inc. recorded net income at P4,550 million for the twelve months ended December 31, 2019, a decrease of 22% as compared to P5,825 million for the twelve months ended December 31, 2018. Without the impact of PFRS 16, net income would be P5,658 million, a 2.9% decrease compared to last year. The decrease was largely due to one-offs in 2019. Net income attributable to parent amounted to P3,919 million for the twelve months ended December 31, 2019 after impact of PFRS 16. Without its impact, net income attributable to parent amounted to P4,908 million, a decrease of 3.9% as compared to P5,107 million for the twelve months ended December 31, 2018.

Consolidated net sales increased by 22.8% from $\mathbb{P}132,681$ million for the twelve months ended December 31, 2018 to $\mathbb{P}162,916$ million for the twelve months ended December 31, 2019. The robust revenue growth was largely due to the full year sales contribution of the stores that opened in 2018 as well as strong same stores sales growth. Royalty, rent and other income also increased from $\mathbb{P}2,422$ million to $\mathbb{P}2,740$ million, a growth of 13.1%, due to higher royalty fee income of the convenience store segment.

Gross profit for the twelve months ended December 31, 2019 amounted to P37,181 million, 24.6% higher than P29,835 million for the twelve months ended December 31, 2018. The increase was attributed to higher sales and full year contribution of RSCI.

Operating expenses grew by 25.3% from P25,631 million to P32,123 million for the twelve months ended December 31, 2019 after the impact of PFRS 16. Without the new standard, operating expenses amount to P32,761, an increase of 27.8% due to higher expenses and accelerated store network expansion.

Earnings before interests and taxes (EBIT) grew by 17.7% from P7,798 million to P6,626 million for the twelve months ended December 31, 2019 after impact of PFRS 16. Without the new standards, EBIT grew by 8.1% to P7,160 million. As a percentage of sales, EBIT before PFRS 16 is at 4.4% this year versus 5.0% last year due to faster increase in operating expenses as a percentage of sales.

Other income and charges (before PFRS 16) decreased by 39% from P971 million to P589 million for the twelve months ended December 31, 2019 primarily due to interest expense and one offs in 2019.

Interest expense recognized due to lease liability amounted to P2,278 million. Amortization expense on Right of Use assets meanwhile amounted to P3,804 million for the year 2019.

Earnings before interests, taxes, depreciation, amortization (EBITDA) and other non-cash items expanded by 62.7% from P9,021 million for the twelve months ended December 31, 2018 to P14,678 million for the twelve months ended December 31, 2019 after impact of PFRS 16. Without the new standards, EBITDA for the year 2019 amounted to P10,236 million. As percentage of sales, this is 6.3% this year versus 6.8% last year.

Segment Operations

(vii) Supermarket. The Supermarket segment continued to account for the largest share in the group's sales, EBIT and EBITDA for the full year ended 2019. Supermarket generated net sales of P88,515 million for the twelve months ended December 31, 2019 expanding by 42% from P62,362 million sales registered in 2018. The increase includes a full year consolidation of Rustan's. The growth was driven by the store expansion this year with the addition of 12 new stores to 176 Robinsons supermarket stores and 87 Rustan's stores acquired in 2018 and further boosted by sustained performance of existing stores and strong same store sales growth of 3.6%.

Gross profit expanded to P18,612 million, 52.7% higher than last year's P12,189 million. As a percentage to sales, gross profit margin grew by 150 bps to 21% this year versus 19.5% last year as a result of the higher margin business of Rustan's.

Without impact of PFRS 16, EBIT reached P3,344 million for the twelve months ended December 31, 2019, 16.6% growth from P2,868 in the same period last year. Likewise, EBITDA, without impact of the new standards, expanded by 28% to P4,968 million for the full year 2018 against P3,883 million in 2018. As a percentage to sales, EBITDA declined by 60 bps at 5.6% in 2019 compared to 6.2% in 2018.

(viii) Department Stores. Robinsons Department Store (RDS) sales for the year ended December 31, 2019 grew 1.5% from last year's P17,781 million to this year's P18,040 million.

This resulted to a gross margin of $\mathbb{P}4,989$ million for 2018 against $\mathbb{P}4,769$ million for the same period last year. As percentage of sales, this is 90bps higher than last year. The increase in sales contributed to the improved margins for the year.

Without the impact of PFRS 16, RDS generated EBITDA of ₱977 million for the year December 31, 2019, an increase of 6.1% against ₱921 million in the same period last year.

(ix) *Convenience stores.* The convenience stores segment registered a system-wide sales and merchandise sales of P9,794 million and P6,744 million, respectively for the period ended December 31, 2019, a 8.0% and 9.2% increase from P9,065 million and P6,177 million for the same period last year. The increase in sales is attributed to the acceleration of same store sales growth of 3.2% in 2019.

Other income which mainly consists of royalty fee is at P1,847 million this year. Royalty fee is computed as a percentages of system-wide gross profit and accounts for the bulk of the total other income. Gross margin and other income is 450bps lower from 39.6% last year to 35.1% this year.

Before impact of PFRS 16, Convenience stores recorded a negative EBIT of P36 million this year versus last year's P101 million. EBITDA generated for 2019 is at P 267 million, a decline of 21.9% versus P340 million of the same period last year.

(x) Drug Stores. The drug store segment registered net sales of P17,685 million as of December 31, 2019, representing a growth of 11.8% from last year's net sales of P15,824 million. The growth was mainly driven by the segment's healthy same store sales growth and sales contribution of new stores.

Gross profit expanded by 11.1% from P3,077 million in 2018 to P3,419 million this year. Gross profit as a percentage of sales shrank by 10 bps to 19.3% in 2019 against 19.4% last year.

Before impact of PFRS 16, EBIT as of December 31, 2019 reached P1,203 million, an increase of 12.3% from last year's P1,071 million. Likewise, EBITDA also grew by 12.7% from P1,192 million in 2018 to P1,344 million this year. As a percentage of sales, EBITDA increased 10bps from 7.5% last year to 7.6% this year.

(xi) *DIY Stores.* Net sales grew by 3.4% from P13,905 million to P14,383 million for the year ended December 31, 2018 and December 31, 2019, respectively.

The sales lift was driven primarily by same store sales growth of 2.5%.

Gross profit increased by 5.2% to 4,675 million for the year ended December 31, 2019 from P4,445 million in the same period last year. As a percentage to sales, gross profit is 50bps higher at 32.5% compared to 32.0% last year.

Without the impact of PFRS 16, with operating expenses increasing at a higher pace than the growth in gross profit, EBIT grew by 2.0% at P1,223 million for the year ended December 31, 2019 versus P1,199 million in same period last year. EBITDA, without the impact of the new accounting standard grew only by 2.7% to P1,467 million for the year 2019 against P1,428 million for the same period in 2018.

(xii) Specialty Stores Segment. The net sales of the Specialty Stores segment increased by 6.0% from ₱18,200 million to ₱19,283 million for the twelve months ended December 31, 2018 and December 31, 2019, respectively. The Specialty segment has 376 stores in 2019 lower by 11 net stores compared to 387 stores last year.

The gross profit meanwhile increased by 3.5% from P4,797 million to P4,966 million for the period.

For the year ended December 31, 2019, without impact of new standards, the Specialty Stores segment generated an EBITDA of P1,262 million, a decrease of 1.7% from last year's EBITDA of P1,283 million.

Financial Position

In 2019, the Company adopted PFRS 16, leases which resulted in recognition of right of use asset (ROU) of P26,317 million and lease liability of P28,053 million. As of December 31, 2019, after the impact of the new accounting standards, the Company's balance sheet showed consolidated assets of P137,866 million, which is 28% higher than the total consolidated assets of P107,777 million as of December 31, 2018. Without the new standards, consolidated assets amounted to P111,056 or 3.0% higher compared to last year.

Cash and cash equivalents increased from $\mathbb{P}14,788$ million as of December 31, 2018, to $\mathbb{P}20,293$ million as of December 31, 2019. Before the impact of PFRS 16, Net cash generated from operating activities totaled $\mathbb{P}7,607$ million. Net cash in investing activities amounted to $\mathbb{P}1,818$ million, $\mathbb{P}3,346$ million of which was used to acquire properties and equipment and net proceeds of $\mathbb{P}5,583$ from available-for-sale investments. Net cash spent from financing activities amounted to $\mathbb{P}3,995$ million.

Trade and other receivables increased by 21.9% from P3,172 million to P3,865 million as of December 31, 2019.

Available for Sale financial assets declined by 24.8% for 2019 due to redemptions during the year. Investment in associates meanwhile increased by 15.1% primarily due to new investments and increase in share of fair value in AFS of associates.

Trade and other payables increased from ₱24,577 million to ₱25,102 million as of December 31, 2019.

Current loans payable decreased as a result of availment and payments during the year amounting to $P_{3,075}$ million, respectively.

Stockholder's equity grew from P72,704 million as of December 31, 2018, to P76,526 million as of December 31, 2019. Without PFRS 16, the stockholder's equity will be P77,634 million. The new accounting standards resulted to a decline of 1.4% in total stockholder's equity due to decline in net income by P1,107 million.

December 31, 2018 vs December 31, 2017

<u>Consolidated Results of Operations</u> (Amounts in Million Pesos)

Robinsons Retail Holdings, Inc. recorded net income at P5,825 million for the twelve months ended December 31, 2018, an increase of 4.0% as compared to P5,599 million for the twelve months ended December 31, 2017. The increase was largely due to increased income from operations. Net income attributable to parent amounted to P5,107 million for the twelve months ended December 31, 2018, an increase of 2.6% as compared to P4,978 million for the twelve months ended December 31, 2016.

Consolidated net sales increased by 15.1% from $\mathbb{P}115,238$ million for the twelve months ended December 31, 2017 to $\mathbb{P}132,681$ million for the twelve months ended December 31, 2018. The robust revenue growth was largely due to increase in sales volume from the 104 new stores that were added during the year, and the full year sales contribution of the stores that opened in 2017 as well as strong same stores sales growth. Royalty, rent and other income also increased from $\mathbb{P}2,262$ million to $\mathbb{P}2,422$ million, a growth of 7.1%, due to higher royalty fee income of the convenience store segment.

Gross profit for the twelve months ended December 31, 2018 amounted to P29,835 million, 15.7% higher than P25,792 million for the twelve months ended December 31, 2017. The increase was attributed to higher sales and vendor discounts.

Operating expenses grew by 17.9% from P21,749 million to P25,631 million for the twelve months ended December 31, 2018 due to higher expenses and accelerated store network expansion.

Earnings before interests and taxes (EBIT) grew by 5.1% from P6,305 million to P6,626 million for the twelve months ended December 31, 2018. As a percentage of sales, EBIT is at 5.0% this year vs. 5.5% last year due to faster increase in operating expenses as a percentage of sales.

Other income and charges decreased by 2.6% from P997 million to P971 million for the twelve months ended December 31, 2018 primarily due to one-time corporate charges and write offs in 2018.

Earnings before interests, taxes, depreciation, amortization (EBITDA) and other non-cash items expanded by 7.7% from P8,378 million for the twelve months ended December 31, 2017 to P9,021 million for the twelve months ended December 31, 2018.

Segment Operations

(xiii) Supermarket. The Supermarket segment continued to account for the largest share in the group's sales, EBIT and EBITDA for the full year ended 2018. Supermarket generated net sales of P62,362 million for the twelve months ended December 31, 2018, including one-month consolidation of Rustan expanding by 19.1% from P52,363 million sales registered in 2017. The growth was driven by the store expansion this year with the addition of 10 new stores to 164 Robinsons supermarket stores and 88 Rustan stores acquired in 2018 and further boosted by sustained performance of existing stores and strong like-for-like sales of 7.6%.

Gross profit expanded to P12,189 million, 20.0% higher than last year's P10,154 million. As a percentage to sales, gross profit margin lift by 10 bps to 19.5% this year versus 19.4% last year as a result of the higher margin business of Rustan.

EBIT reached P2,868 million for the twelve months ended December 31, 2018, 1.5% growth from P2,825 in the same period last year. Likewise, EBITDA expanded by 6.1% to P3,883 million for the full year 2018 against P3,661 million in 2017. As a percentage to sales, EBITDA declined by 80 bps at 6.2% in 2018 compared to 7.0% in 2017.

(xiv) Department Stores. Robinsons Department Store (RDS) sales for the year ended December 31, 2018 grew 10.3% from last year's P16,116 million to this year's P17,781 million. The increase in net sales was mainly due to improved sales of existing stores and sales contribution of new stores.

RDS' cost of sales amounted to $\mathbb{P}13,012$ million for the year ended December 31, 2018, an increase of 9.5% from $\mathbb{P}11,880$ million for the same period last year. This resulted to a gross margin of $\mathbb{P}4,769$ million for 2018 against $\mathbb{P}4,236$ million for the same period last year. The increase in sales contributed to the improved margins for the year.

RDS generated EBITDA of P921 million for the year December 31, 2018, a decline of 5.6% against P976 million in the same period last year.

(xv) *Convenience stores.* The convenience stores segment registered a system-wide sales and merchandise sales of $\mathbb{P}9,065$ million and $\mathbb{P}6,177$ million, respectively for the period ended December 31, 2018, a 4.9% and 8.2% increase from $\mathbb{P}8,640$ million and $\mathbb{P}5,710$ million for the same period last year. The increase in sales is attributed to the acceleration of same store sales growth of 5.1% in 2018.

Other income which mainly consists of royalty fee is at P1,889 million this year. Royalty fee is computed as a percentage of system-wide gross profit and accounts for the bulk of the total other income. Gross margin and other income is 20bps lower from 39.8% last year to 39.6% this year.

Convenience stores recorded an EBIT of P101 million this year versus last year's P42 million. While EBITDA generated for 2018 is at P340 million an increase of 12.3% versus P303 million of the same period last year as a result of store rationalization.

(xvi) Drug Stores. The drug store segment registered net sales of P15,824 million as of December 31, 2018, representing a growth of 9.0% from last year's net sales of P14,518 million. The growth was mainly driven by the segment's healthy same store sales growth and sales contribution of new stores.

The segment's cost of sales as of December 31, 2018 grew by 8.0% from P11,806 million to P12,747 million. Consequently, gross profit expanded by 13.5% from P2,712 million in 2017 to P3,077 million this year. Gross profit as a percentage of sales expanded by 70 bps to 19.4% in 2018 against 18.7% last year.

EBIT as of December 31, 2018 reached P1,071 million, an increase of 8.2% from last year's P990 million. Likewise, EBITDA also grew by 8.8% from P1,095 million in 2017 to P1,192 million this year while margin was kept at 7.5%

(xvii) *DIY Stores.* The DIY segment ended 2018 with solid growth in sales. Net sales grew by 12.8% from ₽12,323 million to ₽13,905 million for the year ended December 31, 2017 and December 31, 2018, respectively.

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The growth was driven primarily by the strong performance of the existing stores coupled with the 17 new store additions for the period ended December 31, 2018.

DIY's cost of sales grew by 12.9% from $\mathbb{P}8,377$ million for the year 2017 to $\mathbb{P}9,460$ million for the year of 2018. Gross profit increased by 12.6% to $\mathbb{P}4,445$ million for the year ended December 31, 2018 from $\mathbb{P}3,946$ million in the same period last year. As a percentage to sales, gross profit was at 32% same as last year.

With operating expenses increasing at slower pace than the growth in gross profit, EBIT grew by 18.7% at P1,199 million for the year ended December 31, 2018 versus P1,010 million in same period last year. EBITDA improved by 18.5% to P1,428 million for the year 2018 against P1,205 million for the same period in 2017.

(xviii) Specialty Stores Segment. The net sales of the Specialty Stores segment increased by 17.0% from P15,550 million to P18,200 million for the twelve months ended December 31, 2017 and December 31, 2018, respectively. The higher net sales were attributed to sales contribution from the new stores and the healthy same store sales growth for the period of 6.9%. The Specialty segment added 45 net new stores after end of December 2017 bringing the store network to 387 by the end of December 2018.

The cost of merchandise sold by the Specialty Stores segment grew at a slightly faster rate than net sales at 18.1% from P11,350 million to P13,403 million for the twelve months ended December 31, 2017 and December 31, 2018, respectively. This resulted to a gross profit increase of 14.2% from P4,200 million to P4,797 million.

For the year ended December 31, 2018, the Specialty Stores segment generated an EBITDA of P1,283 million, an increase of 9.8% from last year's EBITDA of P1,169 million.

Financial Position

As of December 31, 2018, the Company's balance sheet showed consolidated assets of P107,777 million, which is 31.1% higher than the total consolidated assets of P82,181 million as of December 31, 2017.

Cash and cash equivalents increased from $\mathbb{P}14,565$ million as of December 31, 2017, to $\mathbb{P}10,788$ million as of December 31, 2018. Net cash generated from operating activities totaled $\mathbb{P}10,430$ million. Net cash used in investing activities amounted to $\mathbb{P}6,374$ million, $\mathbb{P}4,419$ million of which was used to acquire properties and equipment and $\mathbb{P}847$ million was used to acquire available-for-sale investments. Net cash spent from financing activities amounted to $\mathbb{P}2,492$ million.

Trade and other receivables increased by 41.9% from P2,235 million to P3,172 million as of December 31, 2018.

Intangible assets increased from £5,271 million to £19,269 million as a result of the goodwill and trademarks arising from the acquisition of Rustan Supercenters, Inc. in 2018.

Trade and other payables increased from ₽17,774 million to ₽24,577 million as of December 31, 2018.

Current loans payable increased as a result of availments and payments during the year amounting to P7,558 million and P8,642 million, respectively.

Stockholder's equity grew from P55,266 million as of December 31, 2017, to P72,704 million as of December 31, 2018, due to additional 191,489,360 common share issuance for the acquisition of Rustan Supercenters, Inc. valued at P72.05 per share.

Material Changes in the 2020 Financial Statements (Increase/decrease of 5% or more versus 2019)

Consolidated Statements of Comprehensive Income-Year Ended December 31, 2020 versus year ended December 31, 2019

7.3% decrease in Sales

The decrease is due to lockdowns and temporary store closures caused by COVID 19 pandemic.

11.5% decrease in Gross Profit

The decrease is due to lower sales caused by lockdowns and temporary store closures caused by COVID 19 pandemic.

40.9% decrease in royalty, rent and other income

Primarily due to lower royalty income from convenience stores segment caused by COVID 19 pandemic.

10.5% decrease in operating expenses Primarily due to lower expenses caused by store closures due to COVID

33.4% decrease in interest income

Caused by disposal of available for sale investment

26.7% *increase in foreign currency exchange loss* Primarily due to decline in forex rates of USD to Peso.

72.7% decrease in dividend income

Primarily due to decline in investment in preferred shares.

87.6% increase in earnings from associate Increase caused by equity in earnings in Rbank.

9.8% decrease in interest expense decrease during the year is primarily due to lower interest expense of lease liability recognized.

220% Increase in other charges This is due to higher one-off other income for the period

30.8% decrease in provision for income tax-current Due to lower taxable income of the subsidiaries.

1.7% decrease in provision for income tax-deferred Due deferred tax impact of PFRS 16 and excess MCIT

23.4% decrease in net income Largely due to COVID 19 pandemic. 90.9% decrease in other comprehensive income

Primarily due to marked-to-market movements in the fair value of debt and equity instrument financial assets.

Consolidated Statements of Financial Position - December 31, 2020 versus December 31, 2019

5.2% increase in cash and cash equivalents Primarily from operations and redemption of available for sale investments.

18.7% decrease in trade and other receivables Due to collections for the period.

12.2% increase in merchandise inventories Due to increased volume of inventories relative to lower sales.

10% decrease in other current assets Due to decline in input value added tax.

6.2% *decrease in Available for Sale Investment* Decline is due to redemptions during the year.

5.8% *decrease in Property and Equipment* Decline is due to depreciation for the period.

9.4% increase in Investment in Associate This is caused by new investments during the year.

19.1% increase in intangible assets This is caused by new acquisitions during the year.

51.7% increase in deferred tax asset-net Primarily due to DTA from impact of PFRS 16.

64.5% decrease in retirement plan asset Decline is caused by payment to retiring employees.

10% decrease in other non-current asset Caused by decline in security deposits and construction bonds

6.9% *decrease in payables* The decrease is caused by payments of payable for the year.

106.8% increase in Loans Decline is caused by payment of loans for the period.

55.9% decrease in income tax payable Decrease in income tax payable is a result of lower taxable income.

23.4% increase in deferred tax liability Caused by acquisition during the period

36.8% increase in net retirement obligation Primarily due to accrual of pension expense during the year. 100% decrease in other noncurrent liabilities Primarily due to payment during the year.

100% increase in treasury stock This is caused by share buyback of the Company for the period.

59% increase in other comprehensive income Increase is due to movements in fair value of debt and equity instrument financial assets

5.1% increase in retained earnings

Movement is due to net income during the year, net of dividends declared.

Key Performance Indicators

A summary of RRHI's key performance indicators follows:

Key Performance	20	20	20)19	2018
Indicators	Before	After PFRS	Before	After PFRS	
	PFRS 16	16	PFRS 16	16	
			(in millions	s)	
Net sales	151,070.3	151,070.3	162,916.	162,916.5	₽132,681
EBIT	4,985.9	5,779.4	7,160	7,798	6,626
EBITDA	8,045.9	10,235.8	10,236	14,678	9,021
Core Net Earnings	3,681.2	2,710.8	5,161	4,054	5,000
			Ratios		
Liquidity ratio:					
Current ratio	1.47	1.36	1.52	1.42	1.22
Profitability ratio:					
Gross profit margin	0.22	0.22	0.23	0.23	0.22
Debt to equity ratio	0.12	0.12	0.43	0.80	0.48
Asset to equity ratio	1.46	1.82	1.42	1.80	1.48
Interest rate coverage ratio	34.05	2.48	23.81	3.02	41.65

The manner in which the Company calculates the above key performance indicators is as follows:

Net sales	= Gross sales net of VAT, less sales returns and allowances and sales
	discounts
EBIT	= Operating income
EBITDA	= Operating income add depreciation and amortization expense.
Core Net Earnings	= Net income less equity in net earnings of an associate less interest
	income on bond investments less unrealized foreign currency
	exchange
	gain (loss)
Current ratio	= Total current assets over current liabilities
Operating margin	= Operating income over net sales
Debt to equity ratio	= Total liability over total equity
Asset to equity ratio	= Total assets over total equity
Interest coverage ratio	= EBIT over interest expense

The Company pursued its efforts in converting the proceeds from its IPO into acquisition of investments and network expansion. Without PFRS 16 impact, the current ratio increased from 1.47 to 1.52 times in 2018 and 2019, respectively. The Company does not expect any liquidity problems that may arise in the near future.

<u>Trends, Events or Uncertainties that have had or that are reasonably expected to affect revenues</u> <u>and income</u>

a.) The Philippine retail industry has experienced strong growth in recent years, primarily due to robust domestic economic growth as well as the population's growing desire to upgrade their lifestyles. However, market concentration of the Philippines' store-based retailing industry remains relatively low, with only a few major retail chain operators having a sizeable presence. The leading incumbent domestic retailers have created high barriers to entry based on their nationwide network of stores, brand equity as well as deep understanding of the market. In addition, foreign retail presence is also relatively limited as foreign entry was highly regulated until 2000.

As one of the most underpenetrated markets in Asia, the Philippine store-based retail industry presents strong growth potential in the foreseeable future. Similarly, total retail space per capita in the Philippines is behind that of other emerging Asian economies such as China, Thailand, Malaysia and Vietnam.

Penetration level of the modern retail format is currently low in the Philippines, with only a few major retail chains. Small traditional sari-sari stores remain the dominant channel for the entire grocery retail market, especially in lower-tier cities where the level of economic activity does not yet justify significant development by the larger retail chains. Sari-sari, which means "variety", indicates the wide array of grocery products sold by these small shops, which are prevalent, both in urban and rural areas. In provincial areas, the absence of supermarket chains and independent small grocers highlights the importance of sari-sari stores as the primary source of grocery products including packaged food, home care, and beauty and personal care, especially among the lower-income population.

With the rapid emergence of modern retail formats driven by increasing affluence in urban areas as well as the creation of a wider pool of higher-income consumers in provincial cities, the proportion of sales from traditional retail formats is expected to gradually decline and replaced by successful large-scale modern retailers.

On March 16, 2020, the President of the Philippines issued Proclamation No. 929 declaring a state of calamity throughout the Philippines due to COVID 19 which resulted to the imposition of an Enhanced Community Quarantine throughout Luzon starting midnight of March 16, 2020 until April 12, 2020.

The Group has recognized the health and business risks posed by the virus to the general public and the need to join the collective effort in mitigating the spread of COVID-19. Its supermarkets, convenience stores and drugstores formats, which are considered essential to the nationwide effort, remain open to serve the public. In the face of this global crisis, the Group remains collected and vigilant as it operates and maintains mitigation efforts to help safeguard the health and safety of its employees and customers.

Given the dynamic nature of these circumstances, the related impact on the Group's results of operations, cash flows and financial condition could not be reasonably estimated at this time and will be reflected in the Group's 2020 financial statements.

b.) Any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Not Applicable

c.) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entries or other persons created during the reporting period.

Not Applicable

Item 7. Financial Statements

The Consolidated financial statements are filed as part of this report.

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

There were no disagreements with the external auditors on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to their satisfaction, would have caused the auditors to make reference thereto in their reports on the financial statements of the Company and its subsidiaries.

(A) External Audit Fees and Services

Audit and Audit - Related Fees

The following table sets out the aggregate fees billed to the Company and its subsidiaries for the last two years for professional services rendered by SyCip, Gorres Velayo & Co.,

	2020	2019	2018
Audit and Audit-Related Fees			
Fees for services that are normally provided by the external auditor in connection with statutory and	PO 407 440	D9 799 422	P7 200 524
regulatory filings or engagements	₽9,407,440	₽8,788,422	₽7,209,524
Professional Fees related to the			
Initial Public Offering	None	None	None
Tax Fees	None	None	None
All Other Fees	430,000	370,370	336,700
Total	₽9,837,440	₽9,158,792	₽7,546,224

No other service was provided by external auditors to the Company for the calendar years 2020, 2019 and 2018.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

(A) Board of Directors and Executive Officers of the Registrant

Currently, the Board consists of nine members, of which four are independent directors. The table below sets forth certain information regarding the members of our Board.

Name	Age	Position	Citizenship
Lance Y. Gokongwei	54	Chairman	Filipino
James L. Go	81	Vice-Chairman	Filipino
Robina Gokongwei-Pe	59	President and Chief Executive Officer	Filipino
Ian McLeod	62	Director	British
Samuel Sanghyun Kim	58	Director	American
Antonio L. Go*	81	Independent Director	Filipino
Roberto R. Romulo	82	Independent Director	Filipino
Rodolfo P. Ang	59	Independent Director	Filipino
Cirilo P. Noel	64	Independent Director	Filipino

* He is not related to any of the other directors

DIRECTORS

All of the above directors have served their respective offices since May 14, 2020, except for Mr. Cirilo P. Noel who has been an independent director of the Company since August 12, 2020. There are no other directors who resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of the stockholders for any reason whatsoever.

Messrs. Antonio L. Go, Roberto R. Romulo, Rodolfo P. Ang and Cirilo P. Noel are the independent directors of the Company.

The table below sets forth certain information regarding our executive officers.

Name	Age	Position	Citizenship
Mylene A. Kasiban	51	Chief Financial Officer and Chief Risk Officer	Filipino
Gina R. Dipaling	56	Investor Relations Officer	Filipino
Gabriel Tagala III	52	Vice President, Human Resources	Filipino
Graciela A. Banatao	45	Treasurer	Filipino
Rosalinda F. Rivera	50	Corporate Secretary	Filipino
Gilbert S. Millado, Jr.	47	General Counsel and Compliance Officer	Filipino

A brief description of the directors and executive officers' business experience and other directorships held in other reporting companies are provided as follows:

James L. Go is the Vice Chairman of the Company and the Chairman of JG Summit Holdings, Inc., and Cebu Air, Inc. He is also Chairman and Chief Executive Officer of Oriental Petroleum and Minerals Corporation. He is the Chairman Emeritus of Universal Robina Corporation, Robinsons Land Corporation, JG Summit Petrochemical Corporation and JG Summit Olefins Corporation. He is also the President and Trustee of the Gokongwei Brothers Foundation, Inc. He has been a director of PLDT, Inc. since November 3, 2011. He is a member of the Technology Strategy and Risk Committees and Advisor of the Audit Committee of the Board of Directors of PLDT, Inc. He was elected a director of Manila Electric Company on December 16, 2013. Mr. James L. Go received his Bachelor of Science Degree and Master of Science Degree in Chemical Engineering from Massachusetts Institute of Technology, USA.

Lance Y. Gokongwei is the Chairman of the Company. He is the Chairman of Robinsons Supermarket Corporation, and Robinsons Convenience Stores, Inc. He is the President and Chief Executive Officer of JG Summit Holdings, Inc. and Cebu Air, Inc. He is the Chairman of Universal Robina Corporation, JG Summit Petrochemical Corporation, JG Summit Olefins Corporation, Robinsons Land Corporation and Robinsons Bank Corporation. He is a director and Vice Chairman of Manila Electric Company and a director of Oriental Petroleum and Minerals Corporation and United Industrial Corporation Limited. He is a member of the Board of Global Reporting Initiative. He is also a trustee and Chairman of the Gokongwei Brothers Foundation, Inc. Mr. Lance Y. Gokongwei received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.

Robina Gokongwei Pe is the President and Chief Executive Officer of the Company. She is also a director of JG Summit Holdings, Inc., Robinsons Land Corporation, Cebu Air, Inc., and Robinsons Bank Corporation. She is a trustee and the secretary of the Gokongwei Brothers Foundation, Inc. and a trustee of the Immaculate Concepcion Academy Scholarship Fund. She is also a member of the Xavier School Board of Trustees. She was formerly a member of the University of the Philippines Centennial Commission and was a former trustee of the Ramon Magsaysay Awards Foundation. She attended the University of the Philippines-Diliman from 1978 to 1981 and obtained a Bachelor of Arts degree (Journalism) from New York University in 1984.

Ian McLeod was elected as a director of the Company on November 23, 2018. He was named Group Chief Executive of The Dairy Farm Group in September 2017 (the pan-Asian multi-format retailer), having spent the previous two years as Chief Executive Officer of Southeastern Grocers, the fifth largest supermarket chain in the United States. With over 30 year's retail experience, Ian began his career with Asda (subsequently Wal-Mart) in 1981, where he spent 20 years working in the United Kingdom and Germany. Following this, he moved to Halfords (the UK's leading cycling and motoring retailer) where he became Chief Executive Officer in 2005. In 2008, he moved to Australia as Managing Director of Coles, overseeing 2,200 outlets and 100,000 employees. Whilst there he oversaw fundamental improvements in product quality and value as well as customer service. This resulted in Coles producing substantial increases in both turnover and profits, as well as significant market outperformance. Ian attended the Harvard Business School Advanced Management Program in 1999 and was awarded an Honorary Doctorate in his native Scotland in 2010 for services to Business and Retail.

Samuel Sanghyun Kim was elected as a director of the Company on November 23, 2018. He joined Dairy Farm Group as the Chief Executive Officer, South East Asia Division in April 2018, based in Singapore. In August 2019, he was appointed as the Chief Executive Officer, Group Health & Beauty and Chief Marketing & Business Development Officer. Mr. Kim also serves on the Board of Directors for the Dairy Farm Management Services Ltd., Robinsons Retail Holding Inc. in the Philippines as well as on the Board of ALL Guardian Co., Ltd. in Thailand.

Prior to joining the Dairy Farm Group, Mr. Kim was the Chief Executive Officer and then Vice Chairman (2016-2018) for Home plus, a leading hypermarket, supermarket, convenience stores, e-commerce retailer and mall operator in South Korea. Before Homeplus, Mr. Kim spent 30 years of his career at Procter and Gamble (P&G), where he held a range of senior leadership roles and spearheaded P&G's businesses in Asia and the United States. Mr Kim was the President of P&G Korea from 2003 to 2008, before moving on to serve as Regional Head for P&G ASEAN and Asia Development Markets from 2008 to 2015.

Mr. Kim majored in Political Science at the University of Pennsylvania and Management at the Warton School of Business in the United States.

Antonio L. Go has been an Independent Director of the Corporation since July 4, 2013. He is currently the Chairman of Equicom Savings Bank and ALGO Leasing and Finance, Inc. and My Health Ventures Corporation. He is also the Vice Chairman of Maxicare Healthcare Corporation. He is also a Director of Equitable Computer Services Corporation, Medilink Network, Inc., Equicom Manila Holdings, Equicom, Inc., Equitable Development Corporation, Pin-An Holdings Corp., Equicom Information Technology, Inc., T32 Dental Centre (Singapore), Dental Implant and Maxillofacial Centre (Hong Kong), SteelAsia Manufacturing Corporation, Oriental Petroleum and Minerals, Inc., United Industrial Corporation Limited (Singapore), Cebu Air, Inc., JG Summit Holdings, Inc., and Dito Telecommunity Corporation. He is also a Trustee of the Go Kim Pah Foundation, Equitable Foundation, Inc, and Gokongwei Brothers Foundation, Inc. Mr. Go graduated from Youngstown University, United States with a degree in BS Business Administration. He attended the International Advance Management Program at the International Management Institute, Geneva, Switzerland as well as the Financial Planning/Control program at the ABA National School of Bankard Management, Northwestern University, United States.

Roberto R. Romulo has been an independent director of the Company since July 4, 2013. He is the Chairman of AIG Philippines Insurance Inc., Medilink Network Inc., Nationwide Development Corporation, and Romulo Asia Pacific Advisory. He is currently a board member of Equicom Savings Bank, Philippine Long Distance Telephone Co. and Maxicare Healthcare Corporation. He is a Member of the Board of Counselors of McLarty Associates (formerly Kissinger McLarty Associates). He is the Chairman Emeritus of Zuellig Family Foundation and is the Chairman of other non-profit organizations, namely, Carlos P. Romulo Foundation for Peace and Development and Asia Europe Foundation of the Philippines. He joined government service in June 1989 when he was appointed Ambassador to Belgium, Luxembourg and the Commission of the European Communities. In 1992, he was appointed Secretary of Foreign Affairs. In 1995, he rejoined the private sector and was elected as Chairman of PLDT, and Vice-Chair of San Miguel International. He was Chairman of Interpharma Investments Ltd. (Zuellig Pharma) from 1997 to 2007. He was also a board member of United Industrial Corporation Limited from January 2003 to April 2010 and of Singapore Land Limited from January 2003 to August 2014. He graduated with a Bachelor of Arts degree (Political Science) from Georgetown University, Washington, D.C. and a Bachelor of Laws degree from Ateneo de Manila University.

Rodolfo P. Ang was elected as an independent director of the Corporation on March 9, 2020. He is the Vice President for Administration and Information Systems and an Associate Professor of the School of Management of Ateneo De Manila University. He is the former Dean of the Ateneo Graduate School of Business. He is also an independent director of the Philippine Insurers and Reinsurers Association. He sits on the Board of Trustees of Xavier School. He has served the Commission on Higher Education in various capacities, as a member of the Technical Panel for Business and Management Education, member of the Technical Committee for Business Administration and Entrepreneurship, and member of the NCR Regional Quality Assessment Team. He obtained his Bachelor of Science Degree in Management (Honors Program) and Bachelor of Arts Degree in Communications from Ateneo De Manila University where he graduated Magna Cum Laude. He received his Master's Degree in Business Administration Major in Finance from Boston College, Carroll Graduate School of Management.

Cirilo P. Noel was elected as an independent director of the Corporation on August 12, 2020. He is a lawyer and certified public accountant. Mr. Noel is a member of the Board of Directors of Security Bank Corporation and was appointed Vice Chairman in April 2020. He is likewise a Board member of the following publicly listed companies: Globe Telecom, Inc., San Miguel Foods and Beverage, Inc. and JG Summit Holdings, Inc. He is a member of the Board of St. Luke's Medical Center-Global City since August 2017. He is also a member of the Board of Trustees of St. Luke's Medical Center-Quezon City, St. Luke's Medical Center College of Medicine, and St. Luke's Medical Center Foundation, Inc. He is also currently affiliated with the Makati Business Club, Harvard Law School Association of the Phils, and Harvard Club of the Philippines. He held various positions in SGV & Co. including Chairman (from 2010 to 2017), Managing Partner (from 2009 to 2016), Vice Chairman & Deputy Managing Director (from 2004 to 2009), Head of Tax Division (from 2001 to 2008), and Partner, Tax Services (from 1993 to 2017). He graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Law degree from the Ateneo Law School. He has a Master of Law degree from the Harvard Law School and a Fellow of the Harvard International Tax Program.

(i) Officers

James L. Go, see "i. Directors".

Robina Y. Gokongwei-Pe, see "i. Directors".

Mylene A. Kasiban, is the Chief Financial Officer (CFO) of the Company since May 2016. She has more than 15 years of experience as a CFO in country and regional capacities for multinational companies such as Mondelez, The Hershey Company and Johnson and Johnson. Mylene is a Certified Public Accountant and graduated Cum Laude with a Bachelor of Science in Accounting and Economics from St. Scholastica's College. She has a Masters in Business Administration from the University of Bath, UK and a Post Graduate Diploma in Financial Strategy from the Said Business School, University of Oxford.

Graciela A. Banatao, is the Company Treasurer. She graduated Cum Laude with a Bachelors Degree in Accountancy from St. Paul University (Tuguegarao City) in 1996 and became a Certified Public Accountant in the same year. She started her career in Sycip, Gorres and Velayo (SGV) as account-incharge in 1996 and has a total of 19 years experience in treasury and accounting from companies such as SGV, Questronix Corporation, Abbott Laboratories and Universal Robina Corporation. She joined the Robinsons Retail group in 2014.

Rosalinda F. Rivera has been the Corporate Secretary of the Company since June 2013. In 2020, she assumed the role of Corporate Secretary for all the subsidiaries of the Company. She was the Corporate Secretary of JG Summit Holdings, Inc., Universal Robina Corporation, and Robinsons Land Corporation from 2003 up to 2020. Prior to joining the JG Group in 2002, she was a Senior Associate at Puno and Puno Law Offices. She received a degree of Juris Doctor from the Ateneo de Manila University School of Law and a Masters of Law degree in International Banking from the Boston University School of Law.

Gina R. Dipaling is the Vice-President for Corporate Planning and Investor Relations Officer for the Company. She was an Investment Research Analyst and Director for two decades at various multinational stock brokerage firms before joining the Gokongwei Group in 2010. She started as Corporate Planning Manager and IR Director at JG Summit and was promoted and transferred to Robinsons Retail in 2013. She is a graduate of BS Mathematics Cum Laude at Silliman University and a masters degree candidate on MS Statistics at the University of the Philippines Diliman.

Gabriel D. Tagala III is the Vice-President for Human Resources of the Company, joining the Company 2017. He was previously the Human Resources Director for Southeast Asia, Branded Consumer Foods Group, of Universal Robina Corporation. He received a Bachelor of Arts degree from San Sebastian College.

Atty. Gilbert S. Millado Jr., is the General Counsel, Assistant Corporate Secretary, and Compliance Officerof the Company and the General Counsel and Corporate Secretary of all subsidiaries under the Company. He was previously the Corporate Legal Counsel of RLC from 2003 to 2012. He also served as the Corporate Legal Counsel of the Araneta Properties from 2000 to 2003. He received a Bachelor of Laws degree from Far Eastern University and was admitted to the Philippine Bar in 2000.

(B) Significant Employees

The Company does not believe that its business is dependent on the services of any particular employee.

(C) Family Relationships

- a. Mr. James L. Go is the uncle of Mr. Lance Y. Gokongwei.
- b. Mr. Lance Y. Gokongwei and Ms. Robina Gokongwei-Pe are siblings.

(D) Involvement in certain Legal Proceedings of Directors and Executive Officers

As of December 31, 2020, and to the best of the Company's knowledge and belief and after due inquiry, none of the Company's directors, nominees for election as director, or executive officers, in the past five years up to the date of this report: (i) have had any petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within a three-year period of that time; (ii) have been convicted by final judgment in a criminal proceeding, domestic or foreign, or have been subjected to a pending judicial proceeding of a criminal nature, domestic or foreign, excluding traffic violations and other minor offences; (iii) have been subjected to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting their involvement in any type of business, securities, commodities or banking activities; or (iv) been found by a domestic or foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation and the judgment has not been reversed, suspended, or vacated.

Item 10. Executive Compensation

Key management personnel of the Group include the President and Chief Operating Officer.

(A) Summary Compensation Table

The following table sets out the Company's chief operating officer and four most highly compensated senior officers for the last three years and projected for the ensuing year (2021).

Name	Position
Robina Y. Gokongwei-Pe	President and Chief Executive Officer
Mylene A. Kasiban	Chief Financial Officer
Justiniano S. Gadia	Managing Director- Supermarket Segment
Manuel Dy	SVP-Business Development
Stephen M. Yap	Vice President – Chief Information Officer

The aggregate compensation of executive officers and directors of the Company for last year and projected for the year 2021 are as follows:

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ACTUAL

	Year	Salaries	Bonuses	Total
		(in ₱	million)	
President, Managing Director of	2017	43.66	2.97	46.63
Supermarket Segment, Chief Financial Officer, SVP-Business Development and	2018	45.43	3.22	48.65
Chief Information Officer named above	2019	48.57	3.45	52.02
	2020	51.67	4.36	56.03
Aggregate compensation paid to all other				
general managers, heads for shared services and directors as a group unnamed	2017	88.05	5.91	93.96
	2018	89.17	6.93	96.10
	2019	112.74	9.54	122.3
	2020	116.8	9.95	126.76

(B)

PROJECTED 2021 (in ₱ million)			
	Salaries	Bonuses	Total
President, Managing Director of Supermarket Segment, Chief Financial Officer, SVP-Business Development and Chief Information Officer named above	53.34	4.56	57.9
Aggregate compensation paid to all other general managers, heads for shared services and directors as a group unnamed	126.37	10.79	137.16

(C) Standard Arrangements

Other than payment of reasonable per diem as may be determined by the Board for every meeting, there are no standard arrangements pursuant to which the directors are compensated, directly or indirectly, for any services provided as a director.

(D) Other Arrangements

- (E) There are no other arrangements pursuant to which any of the directors is compensated, directly or indirectly, for any service provided as a director.
- (F) Terms and Conditions of any Employment Contract or any Compensatory Plan or Arrangement between the Company and the Executive Officers

Not applicable.

(G) Outstanding Warrants or Options Held by the Company's CEO, the Executive Officers and Directors.

Not applicable.

Security Ownership of Certain Record and Beneficial Owners holding more than 5% of the Company's voting securities as of December 31, 2020

As of December 31, 2020, the Company knows no one who beneficially owns in excess of 5% of the Company's common stock except as set forth in the table below.

Title of Class Common	Names and addresses of record owners and relationship with the Company JE Holdings, Inc. 43/F Robinsons Equitable	Name of beneficial owner and relationship with record owner Same as record owner	Citizenship Filipino	Number of shares held 491,299,997	% to Total Outstanding 31.42%
	Tower, ADB Avenue corner Poveda Street Ortigas Center, Pasig City (stockholder)	(See note 1)			
Common	PCD Nominee Corporation (Filipino) 37/F Tower 1, The Enterprise Center, Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PDTC Participants and their clients (See note 2)	Filipino	212,108,618	13.56%
Common	PCD Nominee Corporation (Non-Filipino) 37/F Tower 1, The Enterprise Center, Ayala Ave. cor. Paseo de Roxas, Makati City (stockholder)	PDTC Participants and their clients (See note 2)	Non-Filipino	223,325,905	14.28%
Common	Mulgrave Corporation B.V./GCH Investments Pte Ltd Atrium Building, Strawinskylaan 3007 1077 ZX Amsterdam, Netherlands/ 239 Alexandra Road, Singapore 159930 (stockholder)	Same as record owner (See note 4)	Dutch/ Singaporean	315,308,689	20.18%

Notes:

- 1. JE Holdings, Inc. is a company owned by members of the Gokongwei family. Under the By-Laws of JE Holdings, Inc., the President is authorized to represent the Corporation at all functions and proceedings. The incumbent President of JE Holdings, Inc. is Mr. Lance Y. Gokongwei.
- 2. PCD Nominee Corporation is the registered owner of the shares in the books of the Corporation's transfer agent. PCD Nominee Corporation is a corporation wholly-owned by Philippine Depository and Trust Corporation, Inc. (formerly the Philippine Central Depository) ("PDTC"), whose sole purpose is to act as nominee and legal title holder of all shares of

stock lodged in the PDTC. PDTC is a private corporation organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. Under the current PDTC system, only participants (brokers and custodians) will be recognized by PDTC as the beneficial owners of the lodged shares. Each beneficial owner of shares though his participant will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee.

3. Out of the PCD Nominee Corporation account, CLSA Philippines, Inc., Deutsche Bank Manila, and The Hongkong and Shanghai Banking Corp. Ltd. hold for various trust accounts the following shares of the Corporation as of December 31, 2020:

No. of shares	% to outstanding shares

CLSA Philippines, Inc.	123,819,948	7.92%	
The Hongkong and Shanghai Banking Corp. Ltd	85,550,022	5.47%	
Deutsche Bank Manila-Clients A/C	85,441,214	5.46 %	
Voting instructions may be provided by the beneficial owners of the shares.			

4. Mulgrave Corporation B.V. and GCH Investments Pte Ltd are wholly owned members of Dairy Farm International Holdings Ltd. Group of Companies.

(A) Security Ownership of Management as of December 31, 2020

Title of			Amount & nature of ownership	beneficial	% to To	al
Class	Name of beneficial owner	Position	Direct	Indirect	Citizen ship	Outstanding
Named Executive C	Officers (Note 1)					
Common	1. Lance Y. Gokongwei	Director, Chairman	107,538,351	-	Filipino	6.88%
Common	2. Robina Gokongwei-Pe	Director, President and Chief Executive Officer	89,906,846	-	Filipino	5.75%
	Sub-Total		197,445,197	-		12.63%
Other Directors and	Executive Officers					
Common	3. James L. Go	Director and Vice Chairman	31,928,005	-	Filipino	2.04%
Common	4. Ian McLeod	Director	1	-	British	*
Common	5. Samuel Sanghyun Kim	Director	1	-	Americ an	*
Common	6. Antonio L. Go	Director (Independent)	1	-	Filipino	*
Common	7. Roberto R. Romulo	Director (Independent)	1	-	Filipino	*
Common	8. Rodolfo P. Ang	Director (Independent)	1	-	Filipino	*
Common	9. Cirilo P. Noel	Director (Independent)	1	-	Filipino	*
-	10. Mylene A. Kasiban	Chief Financial Officer	-	-	Filipino	-
-	11. Graciela A. Banatao	Treasurer	-		Filipino	
Common	12. Gina R. Dipaling	Investor Relations Officer	1,500	-	Filipino	-
-	13. Gabriel Tagala III	Vice President, Human Resources	-	-	Filipino	-

Title of			Amount & nature of ownership	beneficial	% to To	tal
Class	Name of beneficial owner	Position	Direct	Indirect	Citizen ship	Outstanding
-	14. Rosalinda F. Rivera	Corporate Secretary	-	-	Filipino	-
Common	15. Gilbert S. Millado, Jr.	General Counsel and Compliance Officer	500	-	Filipino	*
	Sub-Total		31,930,011	-		2.04%
			229,375,208	-		14.67%

All directors and executive officers as a group unnamed

Notes:

As defined under Part IV (B) (1) (b) of Annex "C" of SRC Rule 12, the "named executive officers" to be listed refer to the Chief Executive Officer and those that are the four (4) most highly compensated executive officers as of December 31, 2020.

(B) Voting Trust Holders of 5% or more - as of December 31, 2020

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

Changes in Control

As of December 31, 2020, there has been no change in the control of the Corporation since the beginning of its last fiscal year.

Item 12. Certain Relationships and Related Transactions

See Note 24 (Related Party Transactions Disclosures) of the Notes to Consolidated Financial Statements.

The Company and its subsidiaries and affiliates, in their regular conduct of business, have engaged in transactions with each other and with other affiliated companies, consisting principally of sales and purchases at market prices and advances made and obtained.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

Corporate Objectives

Robinsons Retail Holdings, Inc. aims to retain its position as the second-largest multi-format retailer in the Philippines catering to the broad middle market. It plans to expand its store network across its retail formats with focus on regions outside of Metro Manila where modern retail penetration is still low. Aside from organic expansion, part of its strategy is to participate in the market's consolidation by entering into mergers and acquisitions in existing and complementary retail formats. Robinsons Retail targets consistent sales growth while improving margins to ensure sustainability of operations.

Dividend Policy

On July 4, 2013, the Company's dividend policy was approved by its Board. The Company intends to maintain an annual cash dividend payout ratio of twenty percent (20%) of its audited consolidated net income for the preceding fiscal year subject to compliance with the requirements of applicable laws and regulations, the terms and conditions of its outstanding loan facilities and the absence of circumstances which may restrict the payment of such amount of dividends, including, but not limited to, instances wherein the Company proposes to implement and undertake major projects and developments through its subsidiaries. There can be no guarantee that the Company will pay any dividends in the future.

In 2018, Robinsons Retail Holdings, Inc. (RRHI) confirmed its compliance with its Corporate Governance Manual which contains relevant provisions of the Code of Corporate Governance. RRHI submitted the following documents in compliance with Securities and Exchange Commission and the Philippine Stock Exchange mandate:

Document	Submitted to	Date of Submission
2013 Annual Corporate	Securities and Exchange	May 30, 2014
Governance Report (ACGR)	Commission (SEC)	
2014 Annual Corporate	Securities and Exchange	January 20, 2015 (uploaded in
Governance Report (ACGR)	Commission (SEC)	the Company website)
2014 Corporate Governance	The Philippine Stock	March 27, 2015
Guidelines Disclosure Survey	Exchange, Inc. (PSE)	
Revised Corporate Governance	Securities and Exchange	July 16, 2015
Manual	Commission (SEC)	
2015 Annual Corporate	Securities and Exchange	January 31, 2016 (uploaded in
Governance Report (ACGR)	Commission (SEC)	the Company website)
2015 Corporate Governance	The Philippine Stock	March 31, 2016
Guidelines Disclosure Survey	Exchange, Inc. (PSE)	
2016 Annual Corporate	Securities and Exchange	January 10, 2017 (uploaded in
Governance Report (ACGR)	Commission (SEC)	the Company website)
2016 Corporate Governance	The Philippine Stock	March 31, 2017
Guidelines Disclosure Survey	Exchange, Inc. (PSE)	
Revised Corporate Governance	Securities and Exchange	May 31, 2017
Manual	Commission (SEC)	

2017 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	May 30,2018
2018 Integrated Annual Corporate Governance Report (I-ACGR)	Securities and Exchange Commission (SEC) and The Philippine Stock Exchange, Inc. (PSE)	May 30, 2019

In reference to SEC Memorandum Circular No. 15 Series of 2017, the Company shall submit the Integrated Annual Corporate Governance Report or the i-ACGR (formerly known as the Annual Corporate Governance Report or the ACGR) to SEC and PSE on or before May 30,2020. Beginning 2018, covering information from year 2017, the i-ACGR will be replacing the ACGR and the PSE CG Disclosure Survey.

PART V – EXHIBITS AND SCHEDULES

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

List of Corporate Disclosures / Replies to SEC letters Under SEC Form 17-C June 1, 2019 to December 31, 2020

Date of Disclosure	Description	
Jan. 3, 2020	Merger of Robinsons Inc., Robinsons Toys, Inc. and Robinsons Gourmet Food and Beverage Inc., with and into Robinson's Supermarket Corporation	
Feb. 19, 2020	Sale by Robinson's Supermarket Corporation of Chic Centre Corporation	
Feb. 27, 2020	Amendment to the Articles of Incorporation in order to reduce the no. of board seats from 11 to 9	
Feb. 28, 2020	Press release entitled "Rustan Supercenters is EBIT positive for FY 2019"	
March 5, 2020	Solicitation of Written Assent of Stockholders for the Amendment of the Articles of Incorporation	
March 9, 2020	Approval of Share Buyback Program Adoption of a New Dividend Policy Election of an Independent Director	
March 12, 2020	Reply to Exchange's Query on Additional Information on the Share Buybacl Program	
March 16, 2020	Covid 19 Impact, Risks and Mitigation Efforts	
March 24, 2020	Share Buyback	
March 25, 2020	Written Assent of the Stockholders for the Amendment of the Articles of Incorporation	
March 25, 26 and 27 2020	Share Buyback	

March 27, 2020	Notice of Annual Meeting of Stockholders
March 30, 2020 April 2 and 3, 2020	Share Buyback
April 8, 2020	Receipt by RRHI of the Written Assent of the Stockholders Approving the Amendment of the Articles of Incorporation
April 14, 2020	Amendment of the Notice of the Annual Meeting of Stockholders
April 17, 20, 21, 22, 23, 24, and 27, 2020	Share Buyback
April 29, 2020	Press release entitled "Robinsons Retail's 1Q 2020 Net Income to Parent up by 45%"
May 4,5,6,7,8,11,12 and 13, 2020	Share Buyback
May 13, 2020	Amendments to By-Laws to allow attendance, participation and voting of stockholders via remote communication and voting in absentia Declaration of cash dividends
May 14, 2020	Share Buyback Results of Annual Meeting of Stockholders Results of Organizational Meeting of the Board of Directors
May 15, 27, 28 and 29, 2020	Share Buyback
June 1, 2, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 29 and 30, 2020	Share Buyback
July 1, 2, 3, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 27, 28 and 29, 2020	Share Buyback
July 30, 2020	Share Buyback Press release entitled "Robinsons Retail's 1 H 2020 Net Income to Parent at P1.6 billion"
Aug. 3, 4, 5, 6, 7 and 10, 2020	Share Buyback
Aug. 12, 2020	Election of an Independent Director Appointment of the Chairman and members of the Board Committees Re-allocation of the Use of Proceeds from the Initial Public Offering Share Buyback
Aug. 13, 14, 17, 18, 19, 20, 24, 25, 26, 27 and 28, 2020	Share Buyback
Sept. 1, 2, 3, 4, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 22 and 23, 2020	Share Buyback
Oct. 1, 6, 7 and 9 2020	Share Buyback

Oct. 14, 2020	Approval by the SEC of the Amendment to the Articles of Incorporation
Oct. 16, 2020	Acquisition of Leading Visayas Drugstore Chain Rose Pharmacy Approval by the SEC of the Amendments to the By-Laws
Oct. 27 and 28, 2020	Share Buyback
Oct. 29, 2020	Press release entitled "Robinsons Retail's 3Q 2020 Results Climb From 2Q Low"
Oct. 29 and 30, 2020	Share Buyback
Nov. 3, 4, 5, 9, 10, 11 and 13, 2020	Share Buyback
Dec. 9, 10, 11, 14, 15, 16, 17, 19, 21, 22, 23, 28 and 29, 2020	Share Buyback

Item 15. Use of Proceeds from Initial Public Offering

As disclosed in the Company's prospectus, gross and net proceeds were estimated at P26.79 billion and P26.07 billion, respectively for the Primary Offer (excluding any additional expenses that may be incurred in relation to the Over-allotment Option).

The Company received actual gross proceeds amounting to P26.79 billion from the Primary offering of 461,897,500 shares on November 11, 2013 and an additional P0.23 billion from the exercised overallotment of 3,880,550 shares, and incurred P745.65 million IPO-related expenses, resulting to actual net proceeds of P26.27 billion.

For the year ended December 31, 2020, the application of the net proceeds is broken as follows:

Use of Proceeds	Amount in Pesos
Expansion of store network	₽835,496,143
Renovation of existing stores	191,000,963
Other corporate purposes	214,420,173
Repayment of bank loans	255,669,365
Total	₽1,496,586,644

SIGNATURES

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Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Quezon on March 29, 2021.

By:

LANCE Y. GOKONGWEI Chairman of the Board

MYLENE A. KASIBAN Chief Financial Officer

GRACIELA A. BANATAO Treasurer bil

ROBINA Y. GOKONGWEI PE President and Chief Executive Officer

ROSALINDA F. RIVERA Corporate Secretary

SUBSCRIBED AND SWORN to before me this	MAR 2 9 2021 day of	20	affiant(s) exhibiting to me
his/their Residence Certificates, as follows:			

NAMES Lance Y. Gokongwei	RES. CERT. NO. P6235422B	DATE OF ISSUE	PLACE OF ISSUE
Robina Gokongwei Pe	0003-7860984-5		
Mylene A. Kasiban	DO4-97-108149		
Graciela A. Banatao	DO6-06-255881		
Rosalinda F. Rivera	33-2484959-1 Notary Public		/
Doc. No. $\underline{486}$; Page No. $\underline{99}$; Book No. \underline{XW} ; Series of 20 <u>2</u>].	P	ATTY. GILBERT S. M Roll No. 45 Notary Pu Until June 30 E. Rodriguez Jr. Ave., Bag R No. 9270386; January 0 BP No. 100562; January 0 TIN No. 166-2 Commission Adm. No. 3 MCLE Compliance VI-0027 Commission Extended u	5039 blic , 2021 gumbayan, Quezon City 92, 2020; Quezon City 92, 2020; CALMANA 15-465 391 (2019-2020) 7451; June 24, 2019

as per SC ENBANC B.M. No. 3795 12/01/2020



Annex A: Reporting Template

(For additional guidance on how to answer the Topics, organizations may refer to Annex B: Topic Guide)

Company Details	
Name of Organization	Robinsons Retail Holdings, Inc.
Location of Headquarters	43F Robinsons Equitable Tower
	ADB Avenue corner Poveda St.
	Ortigas Center, Pasig City, Metro Manila, Philippines
Location of Operations	Nationwide Operations
Report Boundary: Legal entities	Robinson's Supermarket Corporation; Robinsons Inc.; Rustan
(e.g. subsidiaries) included in this	Supercenters Inc.; Robinson's Handyman Inc.; Robinsons True
report*	Serve Hardware Philippines Inc.; South Star Drug Inc.; TGP
	Pharma Inc.; Robinsons Appliances Corp.; Robinsons Toys, Inc;
	Robinsons Convenience Stores, Inc.; and Robinsons Daiso
	Diversified Corp.
Business Model, including	Multi-format Retailing including Supermarkets, Department
Primary Activities, Brands,	Stores, Do-it-Yourself and Big Box Hardware, Drugstores,
Products, and Services	Convenience Stores, and Specialty Formats, such as Fashion,
	Beauty, Mass Merchandise, One-Price Concept Stores, and Pet
	Retail.
	Please see Business and General Information in RRHI 2020 SEC
	17-A, pages 4-5.
Reporting Period	January 1, 2020 to December 31, 2020
Highest Ranking Person	Gina Roa-Dipaling
responsible for this report	Vice President for Corporate Planning and Investor Relations
	Officer and Sustainability Head

Contextual Information

*If you are a holding company, you could have an option whether to report on the holding company only or include the subsidiaries. However, please consider the principle of materiality when defining your report boundary.

Materiality Process

Explain how you applied the materiality principle (or the materiality process) in identifying your material topics.¹

The Company generated its material topics by probing the impacts of its business units along its key business activities – from product sourcing to empowering our employees and customers, to giving access to quality goods, and determined to scope of this report to cover subsidiaries with the most material contributions to the continuity of our operations. The material topics were validated through workshops with key officers from the Company's business units and engagement with major stakeholder groups. For our selection of stakeholders affected, we also based this on the principle on to whom the material topic is most material and directly influential to their interests.

ECONOMIC

Economic Performance

Direct Economic Value Generated and Distributed

Disclosure		Amount (in millions)	Units
Direct economic value generated (revenue)		151,070	PhP
Direct	economic value distributed:		
a.	Operating costs	20,366	PhP
b.	Employee wages and benefits	9,165	PhP
с.	Payments to suppliers, other operating costs	121,303	Php
d.	Dividends given to stockholders and interest payments	2,067*	PhP
	to loan providers		
e.	Taxes given to government	1,767	PhP
f.	Investments to community (e.g. donations, CSR)	17.2	PhP

*Dividends + interest payments

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The economic value generated from the Company's activities primarily affect the economic conditions of the areas where it operates. Its operations and supply chain allow the Company to directly and indirectly support employment and foster a sophisticated system of partners and suppliers from across various entrepreneurial backgrounds, from	Shareholders	Robinsons Retail Holdings, Inc. aims to retain its position as one the largest multi-format retailer in the Philippines catering to the broad middle-income market. It plans to expand its store network across its retail formats with focus on regions outside of Metro Manila where modern retail penetration is still low. Aside from organic expansion, part of its strategy is to participate in the

¹ See $\underline{GRI 102-46}$ (2016) for more guidance.

big manufacturers to small and medium enterprises for both the trade and non-trade needs of its businesses. As it conducts its day- to-day processes, the Company believes that it positively contributes to economic growth and social mobility among its affected stakeholders.		market's consolidation by entering into mergers and acquisitions in existing and complementary retail formats. Robinsons Retail targets consistent sales growth while improving margins to ensure sustainability of operations. For its shareholders, the Company intends to maintain an annual cash dividend payout ratio of 40 percent in 2020 of its audited consolidated net income for the preceding fiscal year subject to compliance with the requirements of applicable laws and regulations, the terms and conditions of its outstanding loan facilities and the absence of circumstances which may restrict the payment of such amount of dividends, including, but not limited to, instances wherein the Company proposes to implement and undertake major projects and developments through its subsidiaries. There can be no guarantee that the Company will pay any dividends in the future.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
Please see Risks in RRHI 2019 SEC Disclosure 17-A, page 20-21.	 Suppliers Employees Government Communities Customers Shareholders 	RRHI operates as a multi-format stakeholder with a diverse portfolio offering the market both staple and discretionary goods and services. It also has strong financial foundations to continue operations and remain resilient. It has also developed business continuity plans to protect its assets and has a dedicated Enterprise Risk Management Team overseen by the Board of Directors of the Company.
		http://www.robinsonsretailholdings.com.

	Which stakeholders are affected?	ph/corporate-governance/enterprise- risk-management Management Approach
 The Company has identified the following opportunities: Store expansion into underpenetrated cities and municipalities E-commerce Strategic synergies with partners and affiliates Mergers & Acquisitions Better margins through increased scale 	 Suppliers Employees Government Communities Customers Shareholders 	RRHI crafts long-term objectives and goals, which includes strengthening its business development for store expansion and identification of key areas for efficiency within its business. It also looks towards data-driven decision making, especially in bolstering its loyalty programs, supply chains, operations, and collaborative initiatives with partners.
Climate-related risks and opportunities²

RRHI commits to a target of reducing GHG intensity by 20% by 2030, measured as GHG emissions relative financial performance in terms of revenue. Under our Supermarket Segment, the Company will also pursue initiatives to reduce energy intensity by 10% through more energy-efficient materials and equipment in stores, as well as the usage of lower impact refrigerants. Likewise, for 2021, the Supermarket Segment aims increase engagement with farmers under the Farm to Table Program, targeting to grow the sales contribution from the program 0.60% from 0.53% in 2020, and add 100 more farmers to its current pool of 599. The process also encourages sustainable practices in production.

RRHI recognizes the relevance of climate-related risks and opportunities and is in the process of crafting its comprehensive Climate Action Plan, scenario-building, and outlining long-term goals. The Company plans to conduct studies within the next two to three years that further delineate the areas of materiality in terms of its impacts to the environment and potential contributions to Climate Change, as well as opportunities to engage environmental conservation. Using the RRHI 2018 Sustainability Report as a conceptual foundation to inform the formulation of our management approaches and selection of relevant metrics and targets, RRHI envisions having effective monitoring systems in place to effectively assess and manage its carbon and plastic footprint.

Although still in need of adaptation and further study on its overall impact upon climate change metrics, RRHI has been continually implementing energy-saving practices over the past years in select areas of our operations, such as the shift to energy-efficient bulbs in our stores, inverter technology air-conditioners, and refrigeration systems that make use of refrigerants that have less impact on the environment. While RRHI is not water-intensive as a business, it also acknowledges the importance of reducing water consumption and implements daily maintenance checks on its facilities.

At present, RRHI recognizes plastic use as a material topic in Climate Action, as it has implications on reputational risks among our customers, investors and regulators, and the health of the environment and the preservation of natural biodiversity through plastic leakage. RRHI's primary use of plastic is through the packaging and handling of goods that are ultimately sold to customers through our stores. The Company also uses plastics in different aspects of its operations, at its headquarters and distribution centers.

Plastics, particularly plastic packaging, is ubiquitous and currently crucial in RRHI's business and supply chain, given its ease of transportation, ability to aid in decreasing incidences of contamination and quality reduction during transport and product display, as well aid in increasing shelf-life and food-safety for end consumers. The latter is inseparable from RRHI's primary business of fresh food and grocery retail through supermarkets, which comprise around half of its business. Moreover, many of the products that are sold in RRHI stores are in themselves made of plastic or have components made of plastic, such as home goods, appliances, consumer electronics, hardware items, and beauty products.

² Adopted from the Recommendations of the Task Force on Climate-Related Financial Disclosures. The TCFD Recommendations apply to nonfinancial companies and financial-sector organizations, including banks, insurance companies, asset managers and asset owners.

However, the Company is aware that the very usefulness of plastic, which is due to its currently irreplicable qualities at the scale it is produced, have also led to the difficulty in its management and measurement as a waste product. RRHI acknowledges the issues that surround plastic waste and is exploring ways to prevent its leakage into the environment, as well as mitigate the potential harmful effects that it does indeed have on wildlife and natural environs. These include conducting information programs that educate customers on the harms of plastic pollution, diverting plastic waste into recycled items, and encouraging the use of reusable containers and shopping bags in our stores.

Procurement Practices

Proportion of spending on local suppliers

Disclosure	Quantity	Units
Percentage of procurement budget used for significant locations	99.3	%
of operations that is spent on local suppliers		

· · · · · · · · · · · · · · · · · · ·	Which stakeholders are affected?	Management Approach
Procurement of goods and services from local suppliers is crucial to sustaining the core operations of RRHI. It impacts livelihood and access to goods for end consumers. For this disclosure, "local suppliers" are defined as Philippine-based companies and businesses, including distributors with import licensees for foreign products, and defines "non-local suppliers" as those it directly engages for imports of foreign products. The Company imports directly through its subsidiary, Robinsons Supermarket Corporation, and total importations constitute 0.7% of payments to suppliers and other operating costs. RRHI's supply	 Suppliers Employees Customers Communities 	RRHI's Business Units directly engage suppliers through its Merchandising and Operations Departments, and through the Marketing Departments for joint programs and promotions. Through its stakeholder engagement and internal assessments, RRHI has identified the Procurement terms, Payment schedule, and availability of stocks for fast moving items as relevant issues that the Company closely monitors with its suppliers. RRHI values collaboration to achieve mutually-beneficial terms with our suppliers. For more information, please see page 40 of the 2018 RRHI Sustainability Report.
chain represents many retailers, ancillary businesses and various service providers who in turn provide businesses and		 Please see: Supplier Accreditation Policy: <u>http://www.robinsonsretailholdi</u> <u>ngs.com.ph/corporate-</u>

employment to various other groups. What are the Risk/s Identified?	Which stakeholders are affected?	governance/supplier- accreditation-policy or http://www.robinsonsretailholdin gs.com.ph/download.php?file=m edia/files/2020/Supplier%20Accre ditation%20Policy.pdf• Pages 34-45 of the 2018 RRHI Sustainability Report:
 RRHI has identified the following risks under the material topic: Quality Assurance and Control for procured products Capacity to supply and replenish items for store Proper waste disposal of bad items 	 Suppliers Customers 	 RRHI has a supplier accreditation policy to assure that suppliers have the capacity to meet the demands of the business at consistent quality. Goods and stores are also monitored by quality assurance officers. It also has standard store procedures on the proper disposal of waste and expired items. <i>Please see:</i> Supplier Accreditation Policy: <u>http://www.robinsonsretailholdi</u> ngs.com.ph/corporate-governance/supplier-accreditation-policy or <u>http://www.robinsonsretailholdin</u> gs.com.ph/download.php?file=m edia/files/2020/Supplier%20Accreditation%20Policy.pdf Pages 34-45 of the 2018 RRHI Sustainability Report: <u>http://www.robinsonsretailholdin</u> gs.com.ph/download.php?file=m edia/files/2018/RRHI18SR_FA.pdf
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach

 RRHI has identified the following opportunities under the material topic: Greater involvement with small and medium enterprises Introducing the market to high-quality locally sourced products Improved demand forecasting 	 Suppliers Customers 	RRHI aims to forecast demand more accurately to maintain a just-in time inventory system. This, in return, increases supply efficiency as goods arrive only when they are needed. RRHI's distribution centers follow a cross-docking system, where goods from suppliers are consolidated and sent to RRHI's stores in a strict, time- bound manner. This enables the faster delivery of products and reduces the unnecessary maintenance of stocks.
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Anti-corruption

Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti-	100	%
corruption policies and procedures have been communicated to		
Percentage of business partners to whom the organization's	100	%
anti-corruption policies and procedures have been		
communicated to		
Percentage of directors and management that have received	73	%
anti-corruption training*		
Percentage of employees that have received anti-corruption	100	%
training		

•	Which stakeholders are affected?	Management Approach
The impact occurs across multiple touchpoints in the company's commercial operations, where its employees are primarily involved. As a large multi-format retailer, RRHI transacts with multiple stakeholders and safeguards its financial and physical assets against corruption through a culture of integrity and accountability.	• Employees	RRHI has anti-corruption policies and programs contained within its Corporate Governance manual, which are disseminated with the publication of RRHI Annual Report, which is accessible online. Through the Robinsons Retail Academy's New Employees Orientation (Program), the Company's Code of Ethics and Discipline is discussed as part of the onboarding process. Through this, employees are also made aware of stipulated rules on potential disciplinary actions from offenses.

Incidents of Corruption

Disclosure	Quantity	Units
Number of incidents in which directors were removed or	0	#
disciplined for corruption		
Number of incidents in which employees were dismissed or	0	#
disciplined for corruption		
Number of incidents when contracts with business partners	0	#
were terminated due to incidents of corruption		

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No material impacts.	Not applicable.	Not applicable.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No identified material risks.	Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No identified material opportunities.	Not applicable.	Not applicable.

ENVIRONMENT

Resource Management

Energy consumption within the organization:

Disclosure	2019	2020	Units
Energy consumption (diesel)	54,704.10	78,952.07	GJ
Energy consumption (electricity)	719,854,810.77	231,153,043.36	kWh

Intensity of energy consumption

Disclosure	2019	2020	Units*
Diesel	0.009	0.014	L/revenue
Electricity	4.41	1.53	kWh/revenue

*based on FY revenue in millions Php

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The Company relies on energy and fuel for its daily operations and across its supply chain. Energy is sourced primarily from the local electrical grid that services areas where the Company's stores operate. In 2020, energy consumption and intensity was reduced primarily due to the temporary store closures and reduced operating hours, as mandated by government in response to COVID-19.	 Suppliers Employees Customers 	At present, RRHI implements energy- saving practices such as maintenance and conversion to energy efficient materials and appliances, such as LED bulbs, inverter technology airconditioners, and refrigeration systems with less impact on the environment. The Company also closely monitors compliance requirements from the Department of Energy on standardized measures for energy and resources, especially for sites that may cross the materiality threshold on required disclosures for the agency.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
RRHI has identified potential increased emissions with increased scale and for stores and distribution centers that have not yet converted to energy efficient technologies.	 Suppliers Employees Customers 	The Company is setting developing action plans to reduce the dependence on high- intensity equipment across its operations. Its Engineering Department spearheads initiatives on the conversion to energy efficient equipment which use less energy and make use of refrigerants

	Which stakeholders are affected?	with a lower carbon footprint once old equipment reach their end-of-life usage. Management Approach
 RRHI has identified the following opportunities under the material topic: Scaling sustainable technologies in more stores and distribution centers Renewable energy Waste-to-energy initiatives 	 Suppliers Employees Customers 	The Company is exploring the potential of renewable sources of energy for its sites of operations, specifically buildings which it directly manages, such as the Robinsons Townville Community Malls, Shopwise hypermarkets, and standalone Robinsons Supermarket and The Marketplace stores. The Company has also implemented more comprehensive monitoring mechanisms for energy consumption.

Water consumption within the organization

Disclosure	2019	2020	Units
Water consumption	688,514.40*	1,072,384.63	Cubic meters

*2019 data excludes consumption from Shopwise and The Marketplace due to the unavailability of data.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
As a retailing company, RRHI's core operations are not water intensive as compared to other businesses and sources water through local third-party lines. The company primarily consumes water through employee lavatories and maintenance of cleanliness in work areas and stores.		Water consumption is monitored and daily maintenance and monitoring of office pipes is conducted to address leakage.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No identified material risks to core operations.	Not applicable.	Not applicable

What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
luentineu :		
RRHI has identified the following	Employees	RRHI is exploring possible
opportunities under the material	Communities	implementation of water-saving facilities
topic:		across its stores, distribution centers, and
Water-recycling facilities		headquarters.
Waterless urinals		
Water saving campaigns		

Materials used by the organization

Disclosure	2019 2020		Units
Materials used by weight or volume			
renewable	3,040	2,227	Metric tonnes
non-renewable	1,424	891	Metric tonnes

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
RRHI's business operations rely on the paper and plastic as primary materials for packing goods at the point of sale, which consumers will transport to their homes. The scope of this disclosure includes estimates of weighted plastics and paper (renewable) and plastic (non- renewal) bags centrally procured for the Company's most material business segments: supermarkets, department stores, and DIY stores; with further studies being undertaken to estimate the materials footprint of the company across its other subsidiaries and sites of operation.		RRHI considers packaging of goods, which it procures from third party suppliers, in its material usage since it does not manufacture goods in its primary business of retail. The Company approaches material efficiency from both the perspective of compliance and customer engagement. It mitigates potential risks under the material topic through compliance as a basic level of mitigation and observes strict adherence with the pertinent regulations on using plastic and paper from local governments of its stores. Likewise, it informs and encourages customers to reduce uncontrolled waste disposal through initiatives that divert waste from the

	1	
In 2020, the Company increased		natural environment into usable recycled
procurement of renewable paper		items, such as the "Easy on Plastic" and
bags and reduced purchases of		"Green Fund" projects. The company
plastic, alongside initiatives to		also has contracts with recyclers, and is in
encourage customers to bring their		talks for alternative packaging and
own eco-bags in stores.		customer engagement opportunities, as
What are the Risk/s Identified?	Which stakeholders are	well as crafting comprehensive
	affected?	waste/material tracking system to
	anecieu:	manage the Company's solid waste
RRHI has identified the following	Consumers	footprint.
risks under the material topic	Government	
		Digitalization also plays a key-role in
Policy/legislative risks		resource management for RRHI. The
through sanctions		Company's Shared Services Departments
Environmental risks of		also implemented resource reduction
plastic leakage		initiatives, with less reliance on paper
What are the Opportunity/ies	Which stakeholders are	across transactions and investment in
Identified?	affected?	printing equipment that make use of less
RRHI has identified the following	Consumers	ink and materials. The Business Unit
opportunities under the material	Government	Marketing Departments have likewise
topic:	Government	reduced dependence on printed
		collaterals in favor of Digital Marketing.
 Searching for viable 		
alternatives to plastic		
Conducting life-cycle		
analysis on alternative		
packaging		
Sourcing less resource		
intensive and invasive		
intensive and invasive materials		
materials		

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

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to,	n/a	
protected areas and areas of high biodiversity value outside		
protected areas		
Habitats protected or restored	n/a	ha
IUCN ³ Red List species and national conservation list species with	n/a	
habitats in areas affected by operations		

³ International Union for Conservation of Nature

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
No material impact from our core business operations.	Not applicable.	Not applicable.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No identified material risks.	Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No identified opportunities.	Not applicable.	Not applicable.

Environmental impact management

<u>Air Emissions</u>

GHG

Disclosure	2019	2020	Units
Scope 2 GHG Emissions (electricity)	512,681	164,627.20	Tonnes
			CO ₂ e
Scope 3 GHG Emissions (third party diesel consumption)	3,662	5,285	Tonnes
			CO ₂ e

•	Which stakeholders are affected?	Management Approach
The impact occurs through emissions in the Company's		The Company is setting a 10% reduction target in GHG intensity by 2030 with 2020
operations in the consumption of	Communities	figures as its baseline. It is closely
electricity and through the use of diesel fuel in its logistics and		monitoring its primary sources of emissions, namely electricity
contracted trucking services. In 2020, Scope 2 Emissions from		consumption in its operations and the fuel use of its third-party truckers and
electricity was reduced due to less		company cars. It is also conducting more
energy consumption from the temporary closure of stores and		comprehensive research to increase the scope of its data gathering for energy.
		The figures above are gathered from

· · · · · · · · · · · · · · · · · · ·	Which stakeholders are affected?	primary business units consumption in stores and headquarters, excluding data from franchised stores of TGP and Ministop, as well as Southstar Drug stores, which are not yet covered in the scope of direct monitoring by the Engineering Department of the Head Office. Management Approach
 RRHI has identified the following risks under the material topic Limited visibility on Contributions to Climate Change Reputational risks among customers and the investment community What are the Opportunity/ies 	 Customers Investors Communities Which stakeholders are affected?	RRHI is establishing its Climate Action Plans and improving disclosures on environmental metrics, beginning with a commitment to reduce GHG intensity, consumption of electricity, and conversion to eco-friendly equipment. The Climate Action Plan is envisioned to address stakeholder concerns and contribute to the Sustainability Development Goals. Through its Enterprise Risk Management program,
 RRHI has identified the following opportunities under the material topic: Scaling sustainable technologies in more stores and distribution centers Renewable energy Waste-to-energy initiatives 	 Customers Investors Communities 	the Company is also undergoing quantitative and qualitative approaches to improve climate disclosures in the future, with guidance from internationally accepted frameworks. Its energy conservation program across its operations is likewise envisioned to contribute positively to collective initiatives in decarbonization and better waste management.

<u>Air pollutants</u>

Disclosure	Quantity	Units
NO _x	n/a	kg
SO _x	n/a	kg
Persistent organic pollutants (POPs)	n/a	kg
Volatile organic compounds (VOCs)	n/a	kg
Hazardous air pollutants (HAPs)	n/a	kg
Particulate matter (PM)	n/a	kg

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
The topic is not within the scope of materiality given the nature of the Company's core business of retail.	Not applicable.	Not applicable.
What are the Risk/s Identified?	Which stakeholders are affected?	Management Approach
No identified material risks.	Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No identified material risks.	Not applicable.	Not applicable.

Solid and Hazardous Wastes

<u>Solid Waste</u>		
Disclosure	2020	Units
Total solid waste generated	10,293,112.94	kg
Recyclable	1,853,688.51	kg
Biodegradable/Food Waste	7,160,961.30	kg
Residuals/Landfilled	1,278,463.13	kg

	Which stakeholders are affected?	Management Approach
RRHI's operations generate solid wastes, primarily through its stores and distribution centers. The scope of this data is our Supermarket Segment.	1 7	The Company has in place policies in its stores and distribution centers for waste segregation, and continues to streamline its data collection systems to cover a wider scope and provide accurate data in its disclosures. At present, it concentrates building monitoring systems in its
···· · · · · · · · · · · · · · · · · ·	Which stakeholders are affected?	Supermarket Segment, for which solid waste management is especially material due to its diverse waste profile. The
RRHI has identified the following risks under the material topic:	CustomersEmployees	Supermarket Segment's Supply Chain Management, in coordination with its

 Leakage of plastic waste into the environment Contribution to greenhouse gases through biodegradable landfilled waste What are the Opportunity/ies Identified? 	• Communities Which stakeholders are affected?	vendors, also strictly complies with requirements on proper disposal of identified "bad" or expired products and makes sure that sub-par items do not reach the market. For produce and consumable merchandise, some supermarkets, such as Shopwise, currently engages partners to reduce
RRHI has identified the following opportunities under the material topic: • Waste Segregation • Recycling • Composting facilities for organic waste • Implementing waste tracking systems	 Customers Employees Communities Suppliers 	 food waste through donations to charities that act as food banks. The Company also has in place a group-wide policy on Health, Safety and Welfare. This policy takes into account the interests of employees, customers, suppliers, and other relevant stakeholders, particularly on the maintenance of an environment that is safe or free from environmental or physical hazards. Please see: Stakeholder's Health, Safety, and Welfare Policy: http://www.robinsonsretailholdi ngs.com.ph/download.php?file= media/files//Health%20Safety%2 Oand%20Welfare%20Policy.pdf or http://www.robinsonsretailholdi ngs.com.ph/corporate-governance/stakeholders-health-safety-and-welfare

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	n/a	kg
Total weight of hazardous waste transported	n/a	kg

What is the impact and where	Which stakeholders are	Management Approach
does it occur? What is the	affected?	

organization's involvement in the impact?		
The Company does not generate or transport hazardous waste in material amounts in its normal conduct of business.	Not applicable.	Not applicable.
	Which stakeholders are affected?	Management Approach
No identified material risks.	Not applicable.	Not applicable.
	Which stakeholders are affected?	Management Approach
No identified opportunities.	Not applicable.	Not applicable.

<u>Effluents</u>

Disclosure	Quantity	Units
Total volume of water discharges	n/a	Cubic
		meters
Percent of wastewater recycled	n/a	%

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
RRHI does not generate effluents in material amounts in the normal conduct of business.	Not applicable.	RRHI's stores operate as tenants of malls, lands and other buildings. Their property managers are responsible to manage the tenants' discharges.
· · · · · · · · · · · · · · · · · · ·	Which stakeholders are affected?	Management Approach
No identified material risks	Not applicable.	Not applicable.
What are the Opportunity/ies Identified?	Which stakeholders are affected?	Management Approach
No identified opportunities.	Not applicable.	Not applicable.

Environmental compliance

Non-compliance with Environmental Laws and Regulations

Disclosure	Quantity	Units
Total amount of monetary fines for non-compliance with	n/a	PhP
environmental laws and/or regulations		
No. of non-monetary sanctions for non-compliance with n/a #		#
environmental laws and/or regulations		
No. of cases resolved through dispute resolution mechanism	n/a	#

· · · · · · · · · · · · · · · · · · ·	Which stakeholders are affected?	Management Approach
The potential impact is environmental in nature and would occur on a per location basis (e.g. stores), with some stores having pending cases on environmental compliance, albeit not breaching the Company's materiality threshold RRHI has in place an Environment, Health and Safety Policy that considers measures to mitigate any potential issues under the topic.	Not applicable.	Please see the Gokongwei Group of Companies' EHS Policy: <u>http://www.robinsonsretailholdings.com.</u> <u>ph/corporate-governance/corporate-</u> <u>environment-health-and-safety-policy</u>
···· · · · · · · · · · · · · · · · · ·	Which stakeholders are affected?	Management Approach
No identified material risks	Not applicable.	Not applicable.
\cdots	Which stakeholders are affected?	Management Approach
No identified material opportunities	Not applicable.	Not applicable.

SOCIAL

Employee Management

Employee Hiring and Benefits

Employee data

Disclosure	2019	2020	Units
Total number of employees ⁴	20,447	18,555	#
a. Number of female employees	14,372	13,149	#
b. Number of male employees	6,075	5,406	#
Voluntary Attrition rate	24%	13%	rate

Employee benefits

List of Benefits	Y/N	% of female employees	% of male employees
		who availed for the	who availed for the
		year	year
SSS	Y	100	100
PhilHealth	Y	100	100
Pag-ibig	Y	100	100
Parental leaves	Y	0.11	0.00
Vacation leaves	Y	71.90	25.85
Sick leaves	Y	49.73	18.82
Medical benefits (aside from PhilHealth))	Υ	27.18	9.61
Housing assistance (aside from Pag- ibig)	Y	100	100
Retirement fund (aside from SSS)	Y	0.11	0.05
Further education support	Ν		
Company stock options	Ν		
Telecommuting	Y		
Flexible-working Hours*	Y	2.49	1.65
(Others)			

*Pre-Community Quarantines

What is the impact and where does it occur? What	Management Approach
is the organization's involvement in the impact?	
Benefits and compensation are key factors in	The Company abides by safety, health, and
determining employee satisfaction and talent	welfare standards and policies set by the
retention for RRHI to maintain its operations. As of	Department of Labor and Employment. Likewise,
end 2020, the number of direct hire employees was	the Company has Security and Safety Manuals
reduced due to manpower rationalization as a	that are implemented and regularly reviewed to
consequence of COVID-19.	ensure the security, safety, health, and welfare of
	the employees in the work place. The Company

⁴ Employees are individuals who are in an employment relationship with the organization, according to national law or its application (<u>GRI</u> <u>Standards 2016 Glossary</u>)

	has worked with healthcare providers in identifying top diseases based on utilization report and has invited resource speakers to talk about preventive measures. To ensure the safety of the Company's employees, a Corporate Emergency Response Team (CERT) has been created that will be activated and will become the "command center", orchestrating initiatives across the conglomerate during a crisis. Also, the CERT shall be responsible for the periodic review of contingency plans and the institution's emergency preparedness and responses and responsible policies are in place to deal with crisis or emergency situations.
What are the Risk/s Identified?	Management Approach
RRHI has identified the following risks under the material topic: Attrition Employee poaching from competitors	RRHI believes that adequate compensation and above-average benefits are effective strategies for talent acquisition and retention. The Company benchmarks it rates against industry standards and ensures that it is aligned with the 25 th percentile in the general industry salary structure. RRHI also provides benefits beyond what is mandated by the government. These include transport services, assistance and allowance package, loans, and various other incentives.
What are the Opportunity/ies Identified?	Management Approach
RRHI sees increased engagement with a younger employee base is an opportunity for talent retention, as well as gaining deeper insight into factors that contribute to attrition.	RRHI is exploring ways to grow and retain talent by understanding the culture and priorities of a new breed of Millennial and Generation Z employees through open lines of communication between employees and their immediate supervisors, as well creating an inclusive and flexible work environment that allows employees to create their own work routines and methods for productivity.

Employee Training and Development

Disclosure	2019	2020	Units
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Total training hours provided to employees			
a. Female employees	147,815	95,021	hours
b. Male employees	54,776	28,884	hours
Average training hours provided to employees			
a. Female employees	17.4	9.7	hours/employee
b. Male employees	14.6	11.7	hours/employee

What is the impact and where does it occur? What	Management Approach		
is the organization's involvement in the impact?			
RRHI's training and development programs have led to substantial career growth among its employees, with internal promotions influencing performance from training programs. The Company believes career development is crucial in employee retention, and that employees should be empowered to feel that the successes of the company are their successes as well. The reduction in training hours was due to community lockdowns and in prohibitions in conducting face-to-face training programs. However, the Company implemented online-based courses to continue learning and development, with special attention to adjusting to the new normal of distance learning, familiarization with Microsoft Teams, and resilience and safety during the pandemic.	Robinsons Retail Holdings, Inc. has always been a believer of what continuous learning and development can do for its people and its businesses. Through various Learning and Development (L&D) activities, employees are provided with opportunities to develop, enhance, and enrich themselves with the skills sets they need to perform their roles effectively and efficiently in support of Robinsons Retail's overall vision and mission. Through the Robinsons Retail Academy, the training arm of the entire Retail group, employees have a year-round access to different programs, from basic courses offered to all employees to highly specialized curricula offered to a targeted group. The major programs being implemented by the academy include:		
	 Leadership courses from LinkedIn were introduced to empower Leadership through the pandemic. CORE, Curriculum on Retail Excellence, is a two-semester offering of basic soft skills courses for all regular employees of the subsidiaries. STEP, Store Trainee Enhancement Program, is RRHI's Junior Management Traineeship program aimed at developing our future store supervisors. SMART, Store Manager's Required Training, is a highly customized 6-day curriculum for the most critical talent in operations – our store managers. 		

	 SMILE, Service Mileage, is our stores' campaign to continuously deliver excellent service to our customers. General Training includes assemblies, strategy planning, exclusive learning and team collaboration sessions.
What are the Risk/s Identified?	Management Approach
 RRHI has identified the following risks under the material topic: Attrition Employee poaching from competitors 	RRHI believes that adequate compensation and above-average benefits are effective strategies for talent acquisition and retention. The Company benchmarks it rates against industry standards and ensures that it is aligned with the 25th percentile in the general industry salary structure. RRHI also provides benefits beyond what is mandated by the government. These include transport services, assistance and allowance package, loans, and various other incentives not offered by other retail groups.
What are the Opportunity/ies Identified?	Management Approach
 RRHI has identified the following opportunities under the material topic: Expansion of the scope of Robinsons Retail Academy's Training Programs Monitoring the training progress of employees Using a data-driven approach to craft training programs for RRHI employees 	Every year, RRHI conducts a Training Needs Assessment, the results of which serve as the basis of RRHI Human Resources and Robinsons Retail Academy, the training arm of RRHI, to design and develop new learning and further development opportunities.

Labor-Management Relations

Disclosure	Quantity	Units
% of employees covered with Collective Bargaining	0	%
Agreements		
Number of consultations conducted with employees	Not monitored.	#
concerning employee-related policies		

What is the impact and where does it occur? What	Management Approach
is the organization's involvement in the impact?	

RRHI's Labor Management Relations impact its	RRHI strives to create open channels of
operations and carries implications on employee	communication between employees and their
welfare.	supervisors, and safe spaces to discuss issues,
	inquiries, and ideas among peers at the
What are the Risk/s Identified?	workplace. As one of its Key Strategic Pillars,
RRHI has identified the following risks under the	Development of People, the Company nurtures a
material topic:	work environment that supports
Limited visibility on employee issuesAttrition	the growth of employees. RRHI maximizes its people's potential for success by strengthening the prevailing culture of mutual respect and collaboration at the workplace.
What are the Opportunity/ies Identified?	
RRHI has identified the following opportunities under	
the material topic:	
 Monitoring employee consultation Communicating company policies on grievance mechanisms 	

Diversity and Equal Opportunity

Disclosure	2019	2020	Units
% of female workers in the workforce	70.3	70.9	%
% of male workers in the workforce	29.7	29.1	%
% of female workers in executive level positions	53.2	57.1	%
% of male workers in executive level positions	46.8	42.9	%
% of female workers in managerial & supervisory roles	62.8	64.8	%
% of male workers in managerial & supervisory roles	37.2	35.2	%
% of female workers in rank & file positions	74.0	74.7	%
% of male workers in rank & file positions	26.0	25.3	%
Number of employees from indigenous communities and/or	22	23	# of PWD
vulnerable sector*			employees
			in SSD

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
RRHI's employee base is female-dominated, with	RRHI's hiring process and organizational culture
around 70% of positions occupied by women, both	takes an objective, non-gendered approach to
for the overall workforce and managerial positions.	determining compensation rates of its
Leadership of the company is also female-led with its	employees, from the hiring process to the

onboarding of the employee. Compensation rates	
are also merit and qualification-based, and	
benchmarked with industry rates.	
Management Approach	
Not applicable.	
Management Approach	
Although the current organizational culture of	
RRHI has strived to be gender-inclusive, the	
Company sees opportunities to further articulate its standards on non-discrimination through publicly-accessible policies.	

Workplace Conditions, Labor Standards, and Human Rights

Occupational Health and Safety

Disclosure	2019	2020	Units
Safe Man-Hours	5,308,992*	42,034,368	Man-hours
No. of work-related injuries	10	10	#
No. of work-related fatalities	0	0	#
No. of work related ill-health	0	0	#
No. of safety drills	2	0	#

*2019 data only covers Head Office Operations, while 2020 data encompasses all major Business Units of the Company.

What is the impact and where does it occur? What	Management Approach
is the organization's involvement in the impact?	
Occupational Health and Safety impacts the welfare of RRHI's employees and their capacity to work for the company. What are the Risk/s Identified? RRHI has identified the following risks under the material topic: • Work-related accidents and injuries leading to permanent disability or fatality	The Company recognizes and accepts its statutory responsibility to provide safe and healthy working conditions for employees, customers and other stakeholders who visit the Company's premises, patronize its establishments, shop or dine its stores or may be affected by its activities. <i>Please see:</i> • Stakeholders Health, Safety and Welfare
Occurrence of Fire Emergencies	Policy: <u>http://www.robinsonsretailholdings.com.</u> <u>ph/download.php?file=media/files//Healt</u> <u>h%20Safety%20and%20Welfare%20Polic</u> <u>y.pdf</u> or <u>http://www.robinsonsretailholdings.com.</u>

	ph/corporate-governance/stakeholders- health-safety-and-welfare
What are the Opportunity/ies Identified?	Management Approach
No identified material opportunities.	Not applicable.

Labor Laws and Human Rights

Disclosure	Quantity	Units
No. of legal actions or employee grievances involving forced	0	#
or child labor		

Do you have policies that explicitly disallows violations of labor laws and human rights (e.g. harassment, bullying) in the workplace?

Торіс	Y/N	If Yes, cite reference in the company policy
Forced labor	Ν	
Child labor	Ν	
Human Rights	Ν	

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
 The topic impacts the welfare of RRHI's employees as they are hired and work for the company. What are the Risk/s Identified? RRHI has identified the following risks under the material topic: Potential Human rights and labor violations within the company Reputational risks 	At present, the Company complies with applicable laws and regulations on employee welfare, the Labor Code, and has grievance and communications mechanisms in place to get in touch with management. RRHI is in the process of crafting policies that specifically addresses these areas of human rights and labor. Please see Company Policies tab under <u>http://www.robinsonsretailholdings.com.</u> <u>ph/corporate-governance/manual-1</u>
What are the Opportunity/ies Identified?	Management Approach
No identified material opportunities.	Not applicable.

Supply Chain Management

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

Yes.

Please see:

http://www.robinsonsretailholdings.com.ph/corporate-governance/supplier-accreditation-policy

Do you consider the following sustainability topics when accrediting suppliers?

Торіс	Y/N	If Yes, cite reference in the supplier policy
Environmental performance	Ν	n/a
Forced labor	Ν	n/a
Child labor	Ν	n/a
Human rights	Ν	n/a
Bribery and corruption	Ν	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
RRHI's Supply Chain impacts the availability of stocks sold in its stores. It involves the Company's network of suppliers and service providers, which are crucial in its operations, as well as the welfare of workers across the supply chain.	RRHI presently has an accreditation policy that primarily qualifies suppliers based on their capacity to operate and supply the quality and quantity demands of the business, as well as pertinent documentation and government permits on their license to operate where applicable. The Company is currently benchmarking the quality of its
 What are the Risk/s Identified? RRHI has identified the following risks under the material topic: Lawsuits of potential labor and human rights violations Reputational risks of lawsuits 	disclosures on relevant supply chain issues with compliance to laws and with the policies of regional peers, as long as they are deemed material to the nature of the business. It is currently crafting policies that further articulate commitments on fostering inclusive internal environments in terms of human rights and child labor, as well as encouraging the same among its suppliers.
What are the Opportunity/ies Identified?	The Company currently takes into account sustainability across its supply chain primarily through partnerships in CSR
 RRHI has identified the following opportunities under the material topic: Further engagement with SMEs in the Supply Chain Fostering Sustainability across vendors 	programs that specifically address community engagement and selecting needful beneficiaries, such as children and women. Robinsons Supermarket and Shopwise, for example, engage suppliers through promotional activities held throughout the year for donations to World Vision and other organizations.

Development of Supplier
 Accreditation Survey specifically
 for Sustainability

Relationship with Community

Significant Impacts on Local Communities

Operations with significant (positive or negative) impacts on local communities (exclude CSR projects; this has to be business operations)	Location	Vulnerable groups (if applicable)*	Does the particular operation have impacts on indigenous people (Y/N)?	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures (if negative) or enhancement measures (if positive)
Inclusion of PWDs in the workforce	SSD stores	PWDs	Ν	Access to employment opportunities without prejudice towards disabilities	Exploration of opportunities to replicate the initiative across other aspects of operations within the Company
Selling of Generic Medicine	TGP stores	Class D and E Market	N	Access to affordable healthcare	Store expansion to widen reach of accessible medicine
Local sourcing from smallhold farmers	Supermarkets	Class D and E farmers	Ν	Support to livelihood through market access	Increasing scale and gathering granular data on the contributions of the Company to livelihood of farmers
Uniform Sourcing	Central Procurement	Class D and E workers	N	Support to livelihood	Increasing scale and gathering granular data on the contributions of the Company to

					livelihood of workers
PWD and Senior	Stores which	PWD and	N	Access to	Strengthening
Citizen	sell applicable	Senior		affordable	systems that
Discounts	goods	Citizens		goods	keep track PWD
					or Senior Citizen
					discounted
					transactions for
					greater visibility
Potential	All stores	n/a	N	Environmental	Developing
contributions to				conservation	waste
increases in					management
plastic waste					plans and
					influencing and
					educating
					customers to be
					more mindful of
					consumption, as
					well as
					encouraging
					segregation

*Vulnerable sector includes children and youth, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E)

For operations that are affecting IPs, indicate the total number of Free and Prior Informed Consent (FPIC) undergoing consultations and Certification Preconditions (CPs) secured and still operational and provide a copy or link to the certificates if available: ______

Certificates	Quantity	Units
FPIC process is still undergoing	0	#
CP secured	0	#

What are the Risk/s Identified?	Management Approach
No identified material risks.	Not applicable.
What are the Opportunity/ies Identified?	Management Approach
No identified material opportunities.	Not applicable.

Customer Management

Customer Satisfaction

Disclosure	Score	Did a third party conduct the customer satisfaction study (Y/N)?
Customer satisfaction	No available data.	n/a

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Customer satisfaction is a key driver in loyalty for RRHI's customer-centric approach to retailing.	Pursuant to the BSP Circular 857 Regulation on Financial Consumer Protection, RRHI crafted a comprehensive Consumer Protection Manual initially implemented through its department stores. RRHI approaches customer satisfaction by putting in place quality control and assurance policies and avenues where customers may communicate any form of feedback on the Company's stores and brands, which include the contact information available on the RRHI website and the subsidiary websites, as well in social media. Stores also have Customer Service kiosks to communicate their concerns with management. Although RRHI has not yet commissioned a third-party assessment of Customer Satisfaction, the Company has identified this as a material metric to be cascaded across its business units and is setting up the system in evaluating its management approach to the material topic.
What are the Risk/s Identified?	Management Approach
 RRHI has identified the following risks under the material topic: Reputational risks due to negative feedback expressed in social media Reduction of sales What are the Opportunity/ies Identified?	RRHI's subsidiaries conduct regular customer training programs to equip in-store personnel on how to address customer concerns and when to escalate issues to upper management. RRHI understands its reliance on customer satisfaction for repeated purchases and acknowledges the gap in data collection, despite
RRHI has identified the following opportunities under the material topic:	its mitigation efforts during its daily operations.

٠	Deeper customer engagement	
٠	Brand recall and loyalty	

Health and Safety

Disclosure	Quantity	Units
No. of substantiated complaints on product or service	Data gathering ongoing.	#
health and safety*		
No. of complaints addressed	Data gathering ongoing.	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Health and Safety impact the Company's stakeholders, primarily our consumers and employees. Each of the Company's subsidiaries therefore employ proper handling and storage of all products, as well as protocols on quality assurance, safety precautions, and addressing deviations from normal products quality. What are the Risk/s Identified? RRHI has identified the following opportunities under the material topic:	 Please see: Stakeholders Health, Safety and Welfare Policy: <u>http://www.robinsonsretailholdings.com.</u> <u>ph/download.php?file=media/files//Healt</u> <u>h%20Safety%20and%20Welfare%20Polic</u> <u>y.pdf</u> or <u>http://www.robinsonsretailholdings.com.</u> <u>ph/corporate-governance/stakeholders-</u> <u>health-safety-and-welfare</u>
 Consumer health Reputational risks What are the Opportunity/ies Identified?	Management Approach
No identified opportunities.	Not applicable.

Marketing and labelling

Disclosure	Quantity	Units
No. of substantiated complaints on marketing and	Data gathering ongoing.	#
labelling*		
No. of complaints addressed	Data gathering ongoing.	#

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What	Management Approach
is the organization's involvement in the impact?	
	Please see sample Guidelines & Procedure on Customer complaint handling under the Customer Protection Manual for Robinsons Department Store:
 What are the Risk/s Identified? RRHI has identified the following risks under the material topic: Product complaints from customers Health and safety concerns of customers 	http://www.robinsonsretailholdings.com.ph/corp orate-governance/consumer-protection-manual
What are the Opportunity/ies Identified?	Management Approach
No identified material opportunities.	Not applicable.

Customer privacy

Disclosure	Quantity	Units
No. of substantiated complaints on customer privacy*	0	#
No. of complaints addressed	0	#
No. of customers, users and account holders whose	0	#
information is used for secondary purposes		

*Substantiated complaints include complaints from customers that went through the organization's formal communication channels and grievance mechanisms as well as complaints that were lodged to and acted upon by government agencies.

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
The material topic impacts the rights of customers to	RRHI conducted a review to assess its sources of
the privacy of their data and it occurs through	customer data, which are primarily through its
transactions with the Robinsons Rewards Loyalty	Loyalty Program and websites. This review led to
Program and Cashless transactions as well as when	RRHI's Data Privacy Policy, where customers and
they access to Company and its subsidiaries'	partners are informed on their rights to their
websites.	personal information, as well as the manner by
	which the Company protects and utilizes the data
	it collects. Customers are also given prompts to
	indicate consent on the use of data that may be
	collected through websites and the Robinsons

	 Rewards Mobile Application, and that they have read and understood RRHI's Data Privacy Policy. Please see: Data Privacy Policy: <u>http://www.robinsonsretailholdings.com.</u> <u>ph/privacy-policy</u>
What are the Risk/s Identified?	Management Approach
RRHI has identified potential lawsuits from misuse of customer data.	RRHI's Data Privacy Policy outlines for customers how their data is collected and stored, and has dedicated Data Privacy Officer to handle issues on possible breaches. Likewise, RRHI's subsidiary websites and the Robinsons Rewards App have in place security mechanisms to mitigate potential issues on data protection.
What are the Opportunity/ies Identified?	Management Approach
No identified opportunities.	Not applicable.

Data Security

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

What is the impact and where does it occur? What is the organization's involvement in the impact?	Management Approach
Internally, RRHI stores and collects a multitude of data across its operational functions, which measure its performance across financial and non-financial indicators. At present, RRHI has not encountered any breaches within concerning data.	RRHI has implemented measures internally that are overseen by its Information Security Department to protect its data, including security software and information dissemination to inform employees on potential phishing mechanisms.
What are the Risk/s Identified?	Management Approach
RRHI has identified the following risks under the material topic:Data breaches	RRHI crafts robust business continuity plans that take into account the protection of its data assets.

• Destruction of digital and physical assets that house confidential data	
What are the Opportunity/ies Identified?	Management Approach
No material opportunities identified.	Not applicable.

UN SUSTAINABLE DEVELOPMENT GOALS

Product or Service Contribution to UN SDGs

Key products and services and its contribution to sustainable development.

Key Products and	Societal Value /	Potential Negative	Management Approach
Services	Contribution to UN SDGs	Impact of Contribution	to Negative Impact
Fresh produce, ready-to-eat products, and packaged food items in the Supermarket and Convenience Store business Medicines and medical supplies through Southstar Drug and TGP	TARGET 2-1 TARGET 2-1 TARGET 3-8 TARGET 3-8 TARGET 3-8 TARGET 3-8 TARGET 3-8 TARGET 3-8 TARGET 3-8 TARGET 3-8 TARGET 3-8	Potential increase in plastic pollution given that most items are packaged plastic, and potential increases in greenhouse emissions of landfilled organic waste Potential increase in plastic pollution given that most items are packaged plastic;	Waste-segregation, customer education, and plastic diversion through recycled products; and better inventory management to mitigate organic waste Waste-segregation, customer education, and plastic diversion through recycled
		potential misuse of pharmaceutical products and expired products	products; stringent standards and procedures on prescription drugs and disposal of expired items
Job creation across all Business Units and franchise businesses Ministop and TGP	TARGET 8-3 8 HIERBREENE	Potential displacement of smaller players in the same retail spaces	Engaging and empowering SMEs by giving them access to mainstream markets as suppliers to our business units
Job creation across all Business Units	TARGET 8-5 B Minimum and Constraints FULL EMPLOYMENT AND DECENT WORK WITH EQUAL PAY	Potential difficulty in monitoring work conditions across all locations of operations as the Company increases scale	Employee engagement and policies on compliance to pertinent labor laws and regulations and empowering the Human Resources Department to monitor employee

Fresh produce, ready-to-eat products, and packaged food items in the Supermarket and Convenience Store	TARGET 12-3 12 BURNEN 12 BURNEN 13 BURNEN 14 BURNEN 14 BURNEN 15 BURNEN 15 BURNEN 15 BURNEN 16 BURNEN 17 BURNEN 18 BURNEN 18 BURNEN 19 BURNEN	Potential increase in plastic pollution given that most items are packaged plastic, and potential increases in greenhouse emissions of landfilled organic	welfare and the effectivity of grievance mechanisms Waste-segregation, customer education, and plastic diversion through recycled products; and better inventory management to mitigate organic
business		of landfilled organic waste	to mitigate organic waste

* None/Not Applicable is not an acceptable answer. For holding companies, the services and products of its subsidiaries may be disclosed.

ROBINSONS RETAIL HOLDINGS, INC. AND SUBSIDIARIES INDEX TO CONSOLIDATED COMPANY FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

CONSOLIDATED COMPANY FINANCIAL STATEMENTS

Consolidated Statements of Financial Position as of December 31, 2020 and 2019

Consolidated Statements of Comprehensive Income for the periods December 31, 2020, 2019 and 2018

Consolidated Statements of Changes in Equity for the periods December 31, 2020, 2019 and 2018

Consolidated Statements of Cash Flows for the periods December 31, 2020, 2019 and 2018

SUPPLEMENTARY SCHEDULES

Report of Independent Auditors on Supplementary Schedules

- I. Supplementary schedules required by Annex 68-E
 - A. Financial Assets (Other Short-term Cash Investments)
 - B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
 - C. Amounts Receivable/Payable From/To Related Parties which are Eliminated during the Consolidation of Financial Statements
 - D. Short-term and Long-term Debt
 - E. Indebtedness to Related Parties
 - F. Guarantees of Securities of Other Issuers
 - G. Capital Stock
- II. Reconciliation of Retained Earnings Available for Dividend Declaration (Part 1, 4C; Annex 68-C)
- III. Map of the relationships of the companies within the group (Part 1, 4H)
- IV. Schedule of Financial Soundness Indicators
- V. Use of Proceeds from Initial Public Offering

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Robinsons Retail Holdings**, **Inc. and Subsidiaries** is responsible for all information and representations contained in the financial statements for the years ended **December 31**, **2020**, **2019 and 2018**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the 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 financial statements including the schedules attached therein, and submits the same to the stockholders.

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

Lance Y. Gokongwei

Chairman /

Robina Gokongwei Pe President & Chief Executive Officer

Chief Financial Officer

Signed this 29th day of March 2021.

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES) QUEZON CITY) S.S.

SUBSCRIBED AND SWORN TO before me, a Notary Public, personally appeared and exhibiting to me the following:

NAME	COMPETENT EVIDENCE OF	DATE/PLACE ISSUED
	IDENTITY	
Lance Y. Gokongwei	P6235422B	
Robina Gokongwei Pe	0003-7860984-5	
Mylene A. Kasiban	DO4-97-108149	

Known to me and to me known to be the same persons who executed the foregoing instrument, and they acknowledged to me that the same is their free and voluntary act and deed, and the free and voluntary act and deed of the corporations they respectively represent.

This Document consists of 2 pages including this page where the acknowledgement is written, to which the Annexes have been attached. Each page of this agreement has been signed by the parties and their instrumental witnesses and sealed with my notarial seal.

WITNESS MY HAND AND SEAL on the date and at the place hereinabove mentioned. MAR 2 9 2021

Doc No.: $\frac{995}{100}$ Page No.: $\frac{100}{100}$ Book No: $\frac{1}{100}$ Series of 2021. ALTY. GILBERTTS. MILLADO, JR. Roi! No. 45039 Notary Public Until 13 0 JUN 2020 110 E. Rodiigue: Jr. Ave., Bagumbayan Quezon City PTF: No. 927.1333; January 02, 2020; Cuezon City IBP No. 100562; January 02, 2020; CALMANA TIN No. 166-215-465 Commission Adm. No. 391 (2019-2020) MCLE Compliance VI-0027451; June 24, 2019 B.M. NO. 3795



January 14, 2021

THE PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Plaza Ayala Triangle, Ayala Avenue Makati City

Attention:	Ms. Janet A. Encarnacion
	Head – Disclosure Department
Subject:	Annual Summary of the Application of Proceeds from the Initial
	Public Offering (IPO) with External Auditor Certification

Dear Ms. Encarnacion:

We are submitting the following attachments as compliance with the PSE requirement for newly listed companies to provide a progress report on the application of proceeds.

- 1. Progress report on the application of proceeds from IPO for the year ended December 31, 2020.
- 2. Certification of SGV on the accuracy of information provided by Robinsons Retail Holdings, Inc in relation to the progress report.

In view of the full application of IPO proceeds as of December 31, 2020, please note that this will be the last annual report to be filed by the company. We hope you find everything in order.

Very truly yours,

Gina Roa-Dipaling Vice President - Corporate Planning & Investor Relations

ROBINSONS RETAIL HOLDINGS, INC. 110 E. Rodriguez, Jr. Avenue, Libis, Quezon City 1110, Philippines D +63 (2) 631 1252 T +63 (2) 635 0751 local 206 F +63 (2) 570 5553 E info@robinsonsretail.com.ph



January 14, 2021

THE PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Plaza Ayala Triangle, Ayala Avenue Makati City

Attention:Ms. Janet A. EncarnacionHead – Disclosure Department

Subject: Annual Summary of the Application of Proceeds from the Initial Public Offering (IPO)

Dear Ms. Encarnacion:

In line with the Initial Public Offering (IPO) of Robinsons Retail Holdings, Inc. (RRHI) on November 11, 2013, we submit herewith our report on the application of the net proceeds coming from the primary offer of RRHI shares amounting to TWENTY-SIX BILLION TWO HUNDRED SIXTY-NINE MILLION FOUR HUNDRED SEVENTY THREE THOUSAND EIGHT HUNDRED FORTY SEVEN PESOS (P26,269,473,847).

For the year ended December 31, 2020, the application of the net proceeds is broken down as follows:

Use of Proceeds	Amount in Pesos
Expansion of store network	₽835,496,143
Renovation of existing stores	191,000,963
Other corporate purposes	214,420,173
Repayment of bank loans	255,669,365
Total	₽1,496,586,643

In view of the full application of IPO proceeds as of December 31, 2020, please note that this will be the last annual report to be filed by the company. We hope you find everything in order.

Very truly yours,

Chief Financial Officer

ROBINSONS RETAIL HOLDINGS, INC. 110 E. Rodriguez, Jr. Avenue, Libis, Quezon City 1110, Philippines D +63 (2) 631 1252 T +63 (2) 635 0751 local 206 F +63 (2) 570 5553 E info@robinsonsretail.com.ph

www.robinsonsretail.com.ph